Stock Code：2908

Test Rite International Co., Ltd.

2025 Annual Report

<u>*Notice to readers*</u>

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 version and Chinese version, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System：
http://mops.twse.com.tw/
Test Rite's Annual Report is available at
http://www.testitegroup.com

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I. Letter to Shareholders

Dear shareholders,

2025 in retrospect: Looking back on 2025, the global landscape underwent multiple significant shifts. Amid heightened geopolitical tensions, ongoing supply chain restructuring, and persistent inflationary pressures, the global political and economic environment was marked by a high degree of uncertainty and volatility. Governments and enterprises worldwide were compelled to navigate rapidly changing external conditions, reassessing industrial strategies and policy directions in search of a new equilibrium. Against the backdrop of adjustments in global trade structures and escalating external challenges, Taiwan's retail and home living industries also faced notable impacts. Market demand patterns and consumer behavior experienced visible changes, presenting both challenges and the need for greater adaptability across the industry.

Under these external pressures, the Test Rite Group recorded consolidated revenue of NT$33.62 billion in 2025, representing a year-on-year decrease of 8.7%. Net income attributable to owners of the parent amounted to NT$115 million, with basic earnings per share of NT$0.23. Although overall performance was affected by changes in both the international environment and domestic demand, the Group continued to leverage its solid operating foundation to preserve business resilience. Through ongoing optimization of the supply chain, further strengthening of brand strategies, and the advancement of service upgrades, the Group remains committed to addressing the challenges of a rapidly evolving market.

Our trading Business recorded revenue of NT$18.08 billion in 2025, with shipment value reaching NT$25.91 billion. Affected by reciprocal tariffs and heightened geopolitical volatility, revenue and shipment volume declined by 8.6% and 11.9%, respectively, compared with the prior year. As countries accelerated supply chain realignment following the implementation of new tariff regimes, global sourcing and production networks entered a new phase of restructuring. While these developments created operational pressures, they also presented opportunities for enterprises to reposition themselves and expand into new areas. In response to a rapidly changing environment, Test Rite Trading adopted a more agile approach, closely monitoring global tariff policies, geopolitical and economic developments, and evolving market demand. At the same time, the Company continued to deepen collaboration with both customers and suppliers to build a more flexible and resilient cross-border supply chain. Leveraging its extensive experience in navigating tariff adjustments, Test Rite further expanded its footprint in Southeast Asia, strengthening the diversification of its global supply chain. In addition, the Company has continued its transformation from a traditional trading model toward a service-oriented business. Beyond reinforcing relationships with existing retailers and manufacturers, Test Rite actively expanded into emerging markets and sought new strategic partners, laying a stronger foundation for future growth.

Our retail business revenue was NT$12.2 billion in 2025, a decrease of 11 % YoY. The decrease was primarily attributable to subdued housing market transactions, an uncertain economic outlook, and robust domestic and international travel demand. As a result, consumers adopted a more conservative approach to spending on home renovation and household products. In response to a weakening market environment, the retail team swiftly adjusted its strategies by capitalizing on key sales periods, including the back-to-school season, demand from off-campus and rental households, and the Mid-Autumn Festival. These initiatives successfully stabilized customer traffic and supported overall operating performance. Meanwhile, the "Community Butler Program" promoted by Test Rite Home Center continued to gain traction. In line with planned expansion, the Group increased its butler workforce while simultaneously enhancing both the scope and depth of services. This initiative strengthened daily engagement with customers and generated a new wave of service-driven growth momentum for the retail business. In addition, the retail segment remained attentive to evolving home living trends and developed more precisely tailored products and services to meet the needs of different age groups. By offering a diverse and lifestyle-oriented assortment, the Group sought to better address the preferences of various customer segments. With respect to physical retail stores, renovations and layout adjustments were implemented based on the characteristics of individual trade areas and customer profiles. Product assortments were further optimized to enhance the overall shopping experience and reinforce the competitiveness of brick-and-mortar channels.

As of the end of 2025, Test-Rite Group operated 28 TLW (DIY) stores, 37 community stores,25 HOLA stores, 11 Wedgewood stores, and 18 hoi! stores in Taiwan.

The following is Test-Rite's consolidated operating results in 2025 along with the business plan for the year and future business strategies. We also discuss the potential impact of external competition, government regulations, and the macroeconomic environment.

1. Operating results in 2025

(1) Operating results based on the business plan for 2025(consolidated):

(NT$ mn)	2025	2024	YoY Change by Value	YoY Change (%)
Net sales	33,622	36,832	(3,210)	(8.72%)
COGS	(25,099)	(27,355)	2,256	(8.25%)
Gross profit	8,523	9,477	(954)	(10.07%)
Operating expense	(8,360)	(8,852)	492	(5.56%)
Operating profit	163	625	(462)	(73.92%)
Non-operating profit/(loss)	(108)	(309)	201	(65.05%)
Net profit before tax	55	316	(261)	(82.59%)
Net profit after tax	(54)	177	(231)	(130.51%)
Recurring net profit attributed to TRIC	115	332	(217)	(65.36%)

(2) Operating results based on the business plan for 2025 (standalone):

(NT$ mn)	2025	2024	YoY Change by Value	YoY Change (%)
Net sales	15,439	17,400	(1,961)	(11.27%)
COGS	(13,691)	(15,267)	1,576	(10.32%)
Gross profit	1,748	2,133	(385)	(18.05%)
Operating expense	(1,718)	(1,961)	243	(12.39%)
Operating profit	30	172	(142)	(82.56%)
Non-operating profit/(loss)	24	125	(101)	(80.80%)
Net profit before tax	54	296	(242)	(81.76%)
Net profit after tax	115	332	(217)	(65.36%)

(3) Key balance sheet and profitability metrics (consolidated)

Item/Year		2025	2024	YoY Change (%)
Balance Sheet	Total Liability/Total Asset	77.17%	78.83%	(1.66%)
	Current Ratio	123.66%	130.27%	(6.61%)
Profitability	ROE	1.63%	4.84%	(3.21%)
	Net Margin	(0.16%)	0.48%	(0.64%)
	EPS	0.23	0.66	(43.00%)

(4) Research & Development

The company is not belong the manufacturing industry. Therefore, there is no disclosure information about R&D activities.

2. 2026 business plan and future development strategies

(1) Business plan and managerial principles:

A. Trading Business:

- Accelerate and deepen market expansion in Southeast Asia while continuously optimizing the global sourcing network to enhance overall supply chain resilience and operational efficiency.
- Leverage the Group's integrated resource advantages to strengthen responsiveness to rapidly changing global trade environments and to enhance overall operational resilience.
- Continue to integrate and enhance service offerings to provide more comprehensive, convenient, and competitive one-stop solutions for customers.
- Refine supply chain management mechanisms and establish deeper and broader strategic partnerships with key suppliers to drive long-term mutual growth.
- Embed ESG principles into daily operations, actively promoting sustainable governance and fulfilling corporate social responsibility commitments.

B. Retail Business

- Actively expand the community store network to increase market share and strengthen proximity to customers' daily living environments.
- Enhance the growth momentum of service-oriented products to drive higher value-added revenue streams.
- Build a proactive, service-driven sales organization while continuously enhancing the scope and quality of community concierge services.
- Maintain a strategic focus on small-space (compact-home) furniture, increasing the proportion of proprietary and private-label products to enhance brand differentiation and profitability.
- Integrate ESG principles into daily operations, continuously advancing sustainable governance and fulfilling corporate social responsibility commitments.

(2) Future development strategies:

A. Trading Business

- Actively expand global market presence through flexible strategies to effectively respond to rapidly changing international trade environments.
- Maintain strong partnerships with major international retail channels while further developing additional strategic alliances to support long-term growth.
- Continue to advance internationalization efforts, strengthening responsiveness and competitive advantages across global markets.
- Pursue strategic mergers and acquisitions to accelerate business expansion and foster innovation.
- Embed ESG principles into core operations, further enhancing sustainable

governance and corporate social responsibility.

B. Retail Business

- Integrate online and offline renovation services to strengthen the Company's market positioning as a professional e-commerce platform for home repair and improvement solutions.
- Reinforce brand value and enhance market recognition, further strengthening brand differentiation and competitive positioning.
- Optimize channel profit structures and expand the proprietary store network to improve overall profitability.
- Integrate multi-channel resources to enable faster and more effective responses to evolving consumer behaviors and market trends.
- Embed ESG principles into daily operations, deepening sustainable governance and fulfilling corporate social responsibility commitments.

(3) An estimate of the quantity of sales goods:

Test-rite Group reported consolidated revenue of NT$64.9 billion for the first two months of 2026. Benefiting from robust demand in the North American market, overall revenue increased by 17.9% year-over-year, demonstrating strong market momentum.

Since 2020, the global industry has faced unprecedented challenges, including significant supply chain disruptions caused by the COVID-19 pandemic, surging raw material prices triggered by the Russia–Ukraine conflict, and inventory adjustments across retail markets in Europe and North America. These factors have collectively exerted considerable pressure on the industry.

Amid this highly dynamic and challenging environment, our trading business has continued to move forward steadily by leveraging its long-established operational resilience and extensive experience in international markets. Through flexible supply chain deployment, enhanced cross-regional sourcing capabilities, and consistently reliable service quality, the Company has maintained stable operations and competitiveness in rapidly evolving global markets.

3. Potential impact of external competition, government regulations, and the macroeconomic environment

The global economy in 2025 is undergoing a critical period of adjustment, with policy directions and structural changes in the United States and China—the world's two largest economies—serving as key indicators for global economic trends. According to the International Monetary Fund (IMF), global economic growth is projected to slow to 3.2% in 2025, reflecting the continued impact of elevated tariffs, trade frictions, and geopolitical tensions, all of which are exerting pressure on global demand and investment sentiment.

In the United States, the newly inaugurated administration has implemented more pronounced protectionist policies, including expanded tariffs on imports from China and other countries. These measures are reshaping global supply chains and trade dynamics, while further intensifying inflationary pressures and increasing cost burdens for businesses. Although domestic consumption and investment remain relatively resilient, uncertainty surrounding the direction of monetary policy persists. With the Federal Reserve maintaining a pause in interest rate cuts, financial markets remain highly sensitive to inflation trends and potential policy adjustments.

In 2025, China continues to face the impact of newly imposed U.S. tariff measures, placing additional pressure on exports and supply chain configurations. In response, the Chinese government has introduced a range of policy measures, including interest rate reductions, fiscal stimulus, and targeted industrial support, to stabilize domestic demand. However, the effectiveness of these measures will require time to materialize. Changes in China’s economic momentum not only influence the restructuring of Asian supply chains but also have a direct bearing on Taiwan’s export performance, making China a critical variable for Taiwanese enterprises.

In Taiwan, the real estate market in 2025 remains affected by ongoing credit tightening measures implemented by the central bank, as well as elevated housing price benchmarks. Tighter liquidity conditions have moderated home-buying demand, resulting in reduced transaction volumes and a period of gradual market adjustment. Nevertheless, from a structural perspective, factors such as an aging population, a high proportion of older housing stock, and an increase in inherited residential properties continue to support demand for home renovation and refurbishment services, providing a stable growth foundation for related industries.

To comply with national policies and regulations, the relevant financial, business, and audit units of our company always pay attention to policies that may affect the company's operations, and timely consult with professionals to provide relevant information as a reference for management decisions, in order to respond to the impacts of important domestic and international policies and legal changes and adjust the company's operational strategies in a timely manner.

Lastly, all employees of Test Rite Group will spare no efforts to adequately plan and manage our trading, retail and other group businesses in an honest, sincere and dedicated manner, with the objective to improve our balance sheet and further enhance return on equity (ROE). We, the management team of Test Rite, on behalf of all our employees, would like to take this opportunity to thank shareholders for your continued support and encouragement.

Chairperson Judy Lee

II. Corporate Governance Report

2.1 Directors and Management Team

2.2.1 Directors

As of March 31, 2026

Title	Nationality	Name	Gender/ years old	Date Elected	Term - Years	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairperson	Republic of China	Ms. Judy Lee	Female 71-80 years old	2024.05.30	3	1983.07.04	32,911,294	6.45	45,547,294	8.93	31,795,550	6.24	0	0.00	General Manager of Test Rite Int’l Co., Ltd.；BS, Bank and Insurance, Tamkang University	Note 1	Director Director	Tony Ho Robin Ho	Family Family	Note 8
Director	Republic of China	Mr. Tony Ho	Male 71-80 years old	2024.05.30	3	1983.07.04	31,795,550	6.24	31,795,550	6.24	45,547,294	8.93	0	0.00	Chairperson of Test Rite Int’l Co., Ltd.；EMBA, NTU - Fudan EMBA Joint Program	Note 2	Chairperson Director	Judy Lee Robin Ho	Family Family	
Director	Republic of China	Ms. Robin Ho	Female 41-50 years old	2024.05.30	3	2010.06.15	1,989,579	0.39	2,189,579	0.43	1,100,000	0.22	0	0.00	Vice President of Test Rite Int’l Co., Ltd、Director of Test Rite Retail Co. Ltd.；MBA, Business Management, Fujen Catholic University	Note 3	Director Chairperson	Tony Ho Judy Lee	Family Family	
Independent Director	Republic of China	Mr.Yung-Chi Lai	Male 61-70 years old	2024.05.30	3	2018.06.19	0	0.00	0	0.00	0	0.00	0	0.00	Senior examination for Tax administration highest level qualification、 CPA exam passed、Taxation and Tariff Committee officer、National Award of Outstanding SMEs evaluation committee member、Member of National Health Insurance Supervisory Committee, Department of Health, Executive Yuan、Member of Labor Pension fund Supervisory Committee, Council of Labor Affairs, Executive Yuan、Supervisor of National Association of Small & Medium enterprises R.O.C.、Executive Supervisor of Taiwan Provincial Association of Accountants、Member of the Advisory Council on the Protection of Taxpayers' Rights of the Ministry of Finance；Standing Supervisor, National Federation of Certified Public Accountants Associations of the Republic of China (Taiwan) ;Master of Public Finance, National Chengchi University	Note 4	-	-	-	
Independent Director	Republic of China	Mr. Ting-Yang Liu	Male 61-70 years old	2024.05.30	3	2015.06.15	0	0.00	0	0.00	0	0.00	0	0.00%	Principal of Taipei College of Maritime Technology、Director of Graduate Institute of Human Resource and Knowledge Management of National Kaohsiung Normal University；Ph.D., Education in Computer Education, USIU	Note 5				
Independent Director	Republic of China	Mr. Hsin Hsien Huang	Male 61-70 years old	2024.05.30	3	2021.08.27	0	0.00	0	0.00	0	0.00	0	0.00	Passed Examination for Judges and Prosecutors and Bar Examination.、Judge, Chiayi, Taoyuan, and Shilin District Courts、Director of Test Rite Int’l Co., Ltd.；BS, Department of Law, Soochow University	Note 6	-	-	-	

Title	Nationality	Name	Gender/ years old	Date Elected	Term - Years	Date First Elected	Shareholding when elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Mr. I-Chuan Lee	Male 61-70 years old	2024.05.30	3	2021.08.27	0	0.00	0	0.00	0	0.00	0	0.00	Associate vice president, audit Office and department of Finance, Pacific Sogo Department Store Co., Ltd. 、Independent director and Member of Remuneration Committee of Success Prime Corporation；PhD, Business Administration, Macau University of Science and Technology 、EMBA, National Taiwan University	Note 7	-	-	-	

Note:

1. Director of Test Rite Retail Co., Ltd、Chairperson of Testrite Brand Agency Co., Ltd.、Director of Hoi Living International Co., Ltd.、Vice Chairman of Chung Cin Enterprise Co., Ltd.、Chairperson of Lih Chiou Co., Ltd.、Chairperson of International Art Co., Ltd.、Chairperson of Fusion International Distribution Inc.、Chairperson of Test Rite Business Development Corporation(China) Co., Ltd.、Chairperson of B&S Link (Shanghai) Co., Ltd.、Chairperson of Energy Retailing Co., Ltd.、Chairperson of Pro-Quality Service Limited Corporation、Chairperson of Test Rite (China) Investment Co., Ltd.、Director of Test-Rite Int'l (U.S.) Co., Ltd.、Director of Test Rite Products Corp.、Director of Homezone International Corporation、Director of Test Rite Int'l (Canada) Ltd.、Director of Test-Rite Int'l (Australia) Pty Limited、Director of Test-Rite Pte Ltd.、Director of Test-Rite Products (Hong Kong) Limited、Director of Fortune Miles Trading Inc.、Director of Upmaster International Co., Ltd.、Director of Energy Path International Co., Ltd.、Director of Avida Company Limited、Director of Lucky Rite Company Limited.、Director of Golden Rite Co., Ltd.、Director of Fortune Rite International Co., Ltd.、Supervisor of Quality Master Co., Ltd.、Convener of Test-Rite Corporate Governance & Sustainable Development Committee .
2. President of Test Rite Group、Chairperson of Test Rite Retail Co., Ltd.、Director of Testrite Brand Agency Co., Ltd.、Director of Hoi Living International Co., Ltd、Chairperson of Chung Cin Enterprise Co., Ltd.、Chairperson of Lih Teh International Co., Ltd、Chairperson of TAKkare Co., Ltd.、Director of Test-Rite Int'l (Australia) Pty.、Director of Test-Rite Pte Ltd.、Director of Tes-Rite Products (Hong Kong) Limited、Director of Test Rite Retailing Limited、Director of Perfect Group International Limited、Director of Test Rite Trading Co., Ltd.、Director of Test Rite Retailing Co., Ltd.、Director of B&S Link Corporation、Director of Upmaster International Co., Ltd.
3. Chief Operating Officer of Test Rite Int'l Co., Ltd.、Director of Testrite Brand Agency Co., Ltd.、Chairperson of Hoi Living International Co., Ltd.、Chairperson of HOLA Furnishing Co., Ltd、Chairperson of B&S Link Co., Ltd.、Director of Quality Master Co., Ltd、Director of High-Value Gardening Limited、Member of Corporate Governance & Sustainable Development Committee of Test-Rite Int'l Co., Ltd.
4. Partner and Director of Baker Tilly Clock & Co. 、Director of Chinese Management Association、Convener of Remuneration Committee / Convener of Audit Committee / Member of Corporate Governance & Sustainable Development Committee of Test Rite Int'l Co., Ltd.
5. Professor of Graduate Institute of Human Resource and Knowledge Management of National Kaohsiung Normal University、Independent Director / Member of Remuneration Committee / Member of Audit Committee of Level Biotechnology Inc.、Member of Remuneration Committee / Member of Audit Committee / Member of Corporate Governance & Sustainable Development Committee of Test Rite Int'l Co., Ltd.
6. Director of Jian Yuan law firm、Director of Jinghua Society Cultural Foundation、Legal advice lawyer of committee of the Taipei City Center for Prevention of Domestic Violence and Sexual Assault、Independent Director / Member of Remuneration Committee / Member of Audit Committee / Member of Sustainable Development Committee / Chairperson of Risk Management Committee of PLANET Technology Corporation、Member of Remuneration Committee / Member of Audit Committee / Member of Corporate Governance & Sustainable Development Committee of Test Rite Int'l Co., Ltd.
7. General manager of XhangYue Constructon Corporate、General manager of Lan Bou Wan Development Co., Ltd.、Director of PLANET Technology Corporation、Member of Remuneration Committee / Member of Audit Committee / Member of Corporate Governance & Sustainable Development Committee of Test Rite Int'l Co., Ltd.
8. The Chairperson of the Board of Directors of the Company temporarily acts as the substitute General Manager，Test-Rite group's business covered trading and retail which is the unique business model so it continued to evaluate and cultivate successor. The Company added a new independent director in 2021, Directors occupy more than one-half of the total number of Directors, and more than half of the directors who are not the company's senior management and employees. Able to effectively perform its supervisory function and implement corporate governance.

2.Major shareholders of the institutional shareholders

As of March 31, 2026

1、Professional qualifications of directors and independent analysis of Independent director：

Criteria / Name	Professional Qualification and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Direct
Ms. Judy Lee (Chairperson)	● Education & Experience, please refer to 6~7 (1) Basic Information of Directors ● Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ● Not been the person of any conditions defined Article30 of the Company Law	NA	0
Mr. Tony Ho (Director)	● Education & Experience, please refer to 6~7 (1) Basic Information of Directors ● Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ● Not been the person of any conditions defined Article30 of the Company Law	NA	0
Ms. Robin Ho ((Director)	● Education & Experience, please refer to 6~7 (1) Basic Information of Directors ● Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ● Not been the person of any conditions defined Article30 of the Company Law	NA	0
Mr. Yung-Chi Lai (Independent Director)	● Education & Experience, please refer to 6~7 (1) Basic ● A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company ● Not been the person of any conditions defined Article30 of the Company Law	● Independence Analysis of the company's independent directors. ● Is not a natural-person, person's spouse and the second degree of kinship hired by the Corporation or any of its affiliates；hold shares of the corporation；is not a director or supervisor of the Corporation or any of its affiliates. ● Has not provided audit services to the Corporation or its affiliates; or has in the past two years provided commercial, legal, financial, accounting, or related services to the Corporation or its affiliates.	0

Mr. Ting-Yang Liu (Independent Director)	● Education & Experience, please refer to 6~7 (1) Basic ● An instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University ● Not been the person of any conditions defined Article30 of the Company Law	● Independence Analysis of the company's independent directors. ● Is not a natural-person, person's spouse and the second degree of kinship hired by the Corporation or any of its affiliates；hold shares of the corporation；is not a director or supervisor of the Corporation or any of its affiliates. ● Has not provided audit services to the Corporation or its affiliates; or has in the past two years provided commercial, legal, financial, accounting, or related services to the Corporation or its affiliates.	0
Mr. Huang, Hsin Hsien (Independent Director)	● Education & Experience, please refer to 6~7 (1) Basic ● A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who Has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company ● Not been the person of any conditions defined Article30 of the Company Law	● Independence Analysis of the company's independent directors. ● Is not a natural-person, person's spouse and the second degree of kinship hired by the Corporation or any of its affiliates；hold shares of the corporation；is not a director or supervisor of the Corporation or any of its affiliates. ● Has not provided audit services to the Corporation or its affiliates; or has in the past two years provided commercial, legal, financial, accounting, or related services to the Corporation or its affiliates.	1
Mr. Lee, I-Chuan (Independent Director)	● Education & Experience, please refer to 6~7 (1) Basic ● Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company ● Not been the person of any conditions defined Article30 of the Company Law	● Independence Analysis of the company's independent directors. ● Is not a natural-person, person's spouse and the second degree of kinship hired by the Corporation or any of its affiliates；hold shares of the corporation；is not a director or supervisor of the Corporation or any of its affiliates. ● Has not provided audit services to the Corporation or its affiliates; or has in the past two years provided commercial, legal, financial, accounting, or related services to the Corporation or its affiliates.	0

2、Director Diversity and Independence:

(1). Board Diversity Policy: to strengthen corporate governance and improve board structure, the company ‘s governance principle and Procedures for Election of Directors should be taken into consideration, including diversity, but not limited to gender balance, professional qualifications and skills.

(2). The policy objective and the implementation of results shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs.

Policy objective	Implementation of results
Independence： 1、the number of independent directors or outside directors : more than half. 2、consecutive term: In order to ensure that independent directors can exercise their functions and powers objectively and avoid reducing their independence due to long-term tenure, unless there are special reasons (the Company requires the aid of the expertise and relevant experience of the directors), the terms of independent are up to nine consecutive years.	1、Presently, with 4 independent directors accounting for 4/7 and 4 external directors accounting for 4/7 over half of our Board. 2、Presently the independent directors have not served for more than 9 consecutive years. Although the proportion of female directors on the Company’s board has not yet reached one-third, the Company remains committed to the principle of board diversity. We will continue to seek out and invite suitable candidates to join the board and nominate appropriate individuals, striving to increase the proportion of female directors.
Gender balance : The company pays attention to gender equality of board composition with at least one female director.	Two female directors accounted for 2/7 of all directors.
Professional knowledge and skills: Each board member shall have the necessary abilities that must be present in the board are as whole are as follows: 1. The ability to make judgments about operations.2. Accounting and financial analysis ability.3. Business management ability.4. Crisis management ability.5. Knowledge of the industry.6. An international market erspective.7. Leadership ability.8. Decision-making ability.	The current board members generally possess the necessary knowledge, skills and qualities to perform their duties, and have a wealth of professional knowledge and practical experience in industry, corporate management, finance, taxation and accounting, and human resources so as to give full play to operational decision-making, risk supervision and management and effective performance of directors’ functions.

3、Independence: The company has 7 directors (Including independence directors). To improve the company's governance performance, the company appoint independent directors to provide additional 4 seats for independent directors , more than half of all directors. In addition, the company shall review the qualifications of independence directors annually. In order to ensure that independent directors can exercise their functions and powers objectively and avoid reducing their independence due to long-term tenure, unless there is a special reason (leveraging the expertise and relevant experience of the Directors of the Company), the terms of independent are up to nine consecutives years, All the company’s independence directors comply the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. The relationship between directors and independence directors may not exit the provisions of paragraph 3 and 4 of Article 26-3 of Securities and Exchange Act.

4、The incumbent Board members diversification policy and practicable:

Diversified Core projects / Name of Directors	Gender	Nationality	Age		Independent Director Term(Years)			As an employee	The ability to make judgments about operations	Accounting and financial analysis	Business management ability	Crisis management ability	Knowledge of the industry	An international market perspective	Leadership Decision-making ability	Law	Professional ability
			<50	>50	<3	3~9	>9										
Ms. Judy Lee Chairperson	Female	Republic of China		V				V	V	V	V	V	V	V	V	V	Knowledge of the industry
Mr. Tony Ho Director	Male	Republic of China		V				V	V	V	V	V	V	V	V	V	Judgments about operations
Ms. Robin Ho Director	Female	Republic of China	V					V	V	V	V	V	V	V	V	V	Business management
Mr. Yung-Chi Lai Independent Directo	Male	Republic of China		V		V			V	V	V	V	V		V	V	Crisis management
Mr. Ting-Yang Liu Independent Directo	Male	Republic of China		V			V		V		V	V	V	V	V	V	Leadership Decision-making
Mr. Hsin-Hsien Huang Independent Director	Male	Republic of China		V	V						V	V	V	V	V	V	Leadership Decision-making
Mr. I-Chuan Lee Independent Director	Male	Republic of China		V	V				V	V	V	V	V		V		Knowledge of the industry

2.1.2 Management Team

As of March 31,2026

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Strategy and new business development CEO	Republic of China	Tony Ho	Male	1975.09.01	31,795,550	6.24%	45,547,294	8.93%	0	0.00%	President Test Rite Int'l Co., Ltd; National Taiwan University & Furan University/EMBA Classes	Note 1	Corporate governance and risk control CEO Chief Operating Officer (COO)	Judy Lee Robin Ho	Spouse Family	
Corporate governance and risk control CEO	Republic of China	Judy Lee	Female	1975.09.01	45,547,294	8.93%	31,795,550	6.24%	0	0.00%	President of Test Rite Int'l Co., Ltd.; Department of Bank and Insurance/ Tanking University	Note 2	Strategy and new business development CEO Chief Operating Officer (COO)	Tony Ho Robin Ho	Spouse Family	(Note 10)
Chief Operating Officer (COO)	Republic of China	Robin Ho	Female	2009.5.1	2,189,579	0.43%	1,100,000	0.22%	0	0.00%	VP of Test Rite Int'l Co., Ltd. BA, Business Management – University of Southern California MBA, Fujian Catholic University	Note 3	Strategy and new business development CEO Corporate governance and risk control CEO	Tony Ho Judy Lee	Family Family	
Vice President	Republic of China	Bob Yueh	Male	2009.3.1	13,454	0.00%	0	0.00%	0	0.00%	AVP of Test Rite Int'l Co., Ltd. Department of Industrial Engineering/ Feng Chia University	-	-	-	-	
Vice President	Republic of China	Edward Kao	Male	2009.3.1	389,405	0.09%	0	0.00%	0	0.00%	AVP of Test Rite Int'l Co., Ltd.; MBA, New Jersey Institute of Technology	-	-	-	-	
Vice President	Republic of China	Maggy Chen	Female	2011.12.5	354,512	0.07%	147	0.00%	0	0.00%	General manager of Freer Inc. Department of Business Management, Soochow University	-	-	-	-	
Vice President	Republic of China	Linda Lin	Female	2003.1.1	0	0.00%	0	0.00%	0	0.00%	AVP of Test Rite Int'l Co., Ltd. Department of Accounting Statistics/ Ming Chua College	Note 4	-	-	-	
Vice President	Republic of China	Lancy Wu	Female	2007.5.1	61,184	0.01%	0	0.00%	0	0.00%	AVP of Test Rite Int'l Co., Ltd.	-	-	-	-	

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
											Master of Department of Business Administration, National Taipei University					
Vice President	Republic of China	Eric Chang	Male	2016.7.1	0	0.00%	0	0.00%	0	0.00%	AVP of Test Rite Int'l Co., Ltd. Tung Hai University MBA	Note 5	-	-	-	
Vice President	Republic of China	Jamie Kuo	Female	2017.4.1	1,000	0.00%	0	0.00%	0	0.00%	Hwa Fong Rubber Ind. Co., Ltd. Tanking University/ department of economics	Note 6	-	-	-	
Vice President	Republic of China	Agnes Shih	Female	2019.1.1	100,008	0.02%	0	0.00%	0	0.00%	Chinese Culture Univar Department of Korean Language and Literature	Note 7	-	-	-	
Director	Republic of China	Johnson Lee	Male	2011.12.6	81,766	0.02%	0	0.00%	0	0.00%	AVP B&S Link Co., Ltd.; Department of Electronic Engineering / Technology and Science Institute of Northern Taiwan	-	-	-	-	
Director	Republic of China	Celine Hsien	Female	2015.3.1	0	0.00%	0	0.00%	0	0.00%	Sales Manager of International AIM. Department of Business Management/ National Central University	-	-	-	-	
Director	Republic of China	Bruce Shen	Male	2016.02.23	0	0.00%	0	0.00%	0	0.00%	PR manager of Lenovo Ltd. Department of Mass Communication, Tamkang University	-	-	-	-	
Director	Republic of China	Antyia Tsai	Female	2017.2.3	917	0.00%	0	0.00%	0	0.00%	MultiStar Industry co., Industry co., Ltd. Private Chinese Culture University/department of Chinese language and literature	-	-	-	-	
Director	Republic of China	Elaine Shih	Female	2019.5.20	0	0.00%	0	0.00%	0	0.00%	Senior Manager of Test Rite Int'l Co., Ltd. Chunky University of Film and Arts /department of international trade	-	-	-	-	
Director	Republic of China	Miya Hsu	Female	2021.12.2	30,000	0.01%	0	0.00%	0	0.00%	PricewaterhouseCoopers Taiwan National Chung Hsing University Accounting master.	Note 8	-	-	-	

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	Republic of China	Audrey Duna	Female	2024.6.1	0	0.00%	0	0.00%	0	0.00%	Frog Design Senior Experience Designer NYCU - Institute of Applied Arts Master degree	-	--	--	--	
Director	Republic of China	Tommy Chang	Male	2024.7.1	0	0.00%	0	0.00%	0	0.00%	Sen Sen Home Shopping Co., Ltd. Chief of Staff NCCU - Department of Finance Master degree	-	--	--	--	
Director	Republic of China	Jennifer Chu	Female	2024.7.1	0	0.00%	0	0.00%	0	0.00%	Test Rite International Co., Ltd. Risk Control Dept. Director Southern Taiwan University of Science and Technology Dept. of Industrial Engineering and Management. Bachelor's degree	-	--	--	--	
Director	Republic of China	Shupen Yeh	Female	2024.7.1	30,000	0.01%	0	0.00%	0	0.00%	Test Rite International Co., Ltd. Project Management Office. Director University of Stirling Department of Business Administration Master degree	-	--	--	--	
Chief Corporate Governance Officer	Republic of China	Amy Chen	Female	2026.01	30,128	0.01%	0	0.00%	0	0.00%	Senior Manager of Test Rite Int'l Co., Ltd Department of Finance and Banking, Shih Chien University	Note 9				

Note：

1. President of Test Rite Group、Chairperson of Test Rite Retail Co., Ltd.、Director of Testrite Brand Agency Co., Ltd.、Director of Hoi Living International Co., Ltd、Chairperson of Chung Cin Enterprise Co., Ltd.、Chairperson of Lih Teh International Co., Ltd、Chairperson of TAKkare Co., Ltd.、Director of Test-Rite Int'l (Australia) Pty.、Director of Test-Rite Pte Ltd.、Director of Tes-Rite Products (Hong Kong) Limited、Director of Test Rite Retailing Limited、Director of Perfect Group International Limited、Director of Test Rite Trading Co., Ltd.、Director of Test Rite Retailing Co., Ltd.、Director of B&S Link Corporation、Director of Upmaster International Co., Ltd
2. Director of Test Rite Retail Co., Ltd、Chairperson of Testrite Brand Agency Co., Ltd.、Director of Hoi Living International Co., Ltd.、Vice Chairman of Chung Cin Enterprise Co., Ltd.、Chairperson of Lih Chiou Co., Ltd.、Chairperson of International Art Co., Ltd.、Chairperson of Fusion International Distribution Inc.、Chairperson of Test Rite Business Development Corporation(China) Co., Ltd.、Chairperson of B&S Link (Shanghai) Co., Ltd.、Chairperson of Energy Retailing Co., Ltd.、Chairperson of Pro-Quality Service Limited Corporation、Chairperson of Test Rite (China) Investment Co., Ltd.、Director of Test-Rite Int'l (U.S.) Co., Ltd.、Director of Test Rite Products Corp.、Director of Homezone International Corporation、Director of Test Rite Int'l (Canada) Ltd.、Director of Test-Rite Int'l (Australia) Pty Limited、Director of Test-Rite Pte Ltd.、Director of Test-Rite Products (Hong Kong) Limited、Director of Fortune Miles Trading Inc.、Director of Upmaster

International Co., Ltd.、Director of Energy Path International Co., Ltd.、Director of Avida Company Limited、Director of Lucky Rite Company Limited.、Director of Golden Rite Co., Ltd.、Director of Fortune Rite International Co., Ltd.、Supervisor of Quality Master Co., Ltd.、Convener of Test-Rite Corporate Governance & Sustainable Development Committee .Chief Operating Officer of Test Rite Int'l Co., Ltd.、Chairperson of Testrite Brand Agency Co., Ltd.、Chairperson of Hoi Living International Co., Ltd.、Chairperson of HOLA Furnishing Co., Ltd.、Director of Chung Cin Enterprise Co., Ltd.、Director of Energy Retailing Co., Ltd.、Director of Test-Rite Int'l (Australia) Pty. Limited、Director of Test-Rite (UK) Ltd.、Director of Test-Rite Development GmbH、Director of Test Rite tepro GmbH、Director of Test Rite Int'l (Canada) Ltd、GM of Test-Rite International (U.S.)Co., Ltd、Director of Quality Master Co., Ltd、Director of High-Value Gardening Limited、Member of Corporate Governance & Sustainable Development Committee of Test-Rite Int'l Co., Ltd.

3. Operating Officer of Test Rite Int'l Co., Ltd.、Director of Testrite Brand Agency Co., Ltd.、Chairperson of Hoi Living International Co., Ltd.、Chairperson of HOLA Furnishing Co., Ltd、Chairperson of B&S Link Co., Ltd.、Director of Quality Master Co., Ltd、Director of High-Value Gardening Limited、Member of Corporate Governance & Sustainable Development Committee of Test-Rite Int'l Co., Ltd.
4. Supervisor of Test-Rite Home Service Co., Ltd.、Supervisor of Testrite Brand Agency Co., Ltd.、Supervisor of Hoi Living International Co., Ltd、Supervisor of Chung Cin Enterprise Co., Ltd、Supervisor of Ningbo Anglian Teji Supply Chain Management Co., Ltd.
5. Supervisor of Lih Teh International Co., Ltd.、Supervisor of Pro-quality Service Co., Ltd.、Supervisor of Lih Chiou Co., Ltd.、Supervisor of B&S Link Co., Ltd、Supervisor of International Art Co., Ltd.、Supervisor of HOLA Furnishing Co., Ltd.、Director of Chung Cin Enterprise Co., Ltd.
6. Supervisor of Ningbo Anglian Teji Supply Chain Management Co., Ltd.
7. Director of Test Rite Retail Co., Ltd.、Member of Test-Rite Corporate Governance & Sustainable Development Committee.
8. Supervisor of Zhonghe Food Co., Ltd.
9. Director of Test Rite India Private Limited.
10. The chairperson acted on behalf of chief executive officer after the former CEO retired in 2020. Test-Rite group's business covered the trading and retail which is the unique business model so it continued to evaluate and cultivate successor. The company added a new independent director, Independent Directors occupy more than one-half of the total number of Director, and more than half of the directors who are not the company's senior management and employees, Able to effectively perform its supervisory function and implement corporate governance.

2.2 Remuneration of Directors, President, and Vice Presidents

2.2.1 Remuneration of Directors

As of Dec. 31, 2025：Unit: NT$ thousands

Title	Name	Remuneration								Sum of A+B+C+D and ratio to net income (%)		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) and net income(%)		Compensation paid to directors from an invested company other than the company's subsidiary
		Base Compensation (A)		Severance Pay (B)		Directors and supervisors' remunerations(C)		Allowances (D)				Salary, Bonuses, and Allowances(E)		Severance Pay (F)		Employee compensation (G)						
																The company		From All Consolidated entities				
		The company	From All Consolidated entities	The company	From All Consolidated entities	The company	From All Consolidated entities	The company	From All Consolidated entities	The company	From All Consolidated entities	The company	From All Consolidated entities	The company	From All Consolidated entities	Cash	Stock	Cash	Stock	The company	From All Consolidated entities	
Chairperson	Ms. Judy Lee	0	5,406	0	0	509	509	198	198	707 0.61%	6,113 5.31%	18,665	35,909	108	108	146	0	146	0	19,626 17.03%	42,276 36.70%	0
Director	Mr. Tony Ho																					
	Ms. Robin Ho																					
Independent Director	Mr. Yung-Chi Lai	2,250	2,250	0	0	318	318	642	642	3,210 2.79	3,210 2.79%	0	0	0	0	0	0	0	0	3,210 2.79%	3,210 2.79%	0
	Mr. Ting-Yang Liu																					
	Mr. Hsin-Hsien Huang																					
	Mr. I-Chuan Lee																					

1. Please state the policy, system, standards and structure of independent directors' remuneration, and describe the correlation with the amount of remuneration according to the responsibilities, risks, and investment time: Please refer Annual Report (page 20)
2. In addition to the above remuneration, director remuneration shall be disclosed about the directors' compensation for their services in the most recent year such as a consultant of the parent company, companies in the consolidated financial statement or invested company : None.

Bracket	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	From All Consolidated Entities	The company	From All Consolidated Entities
Under NT$ 1,000,000	Ms. Judy Lee、Mr. Tony Ho、Ms. Robin Ho 、Mr. Ting-Yang Liu、Mr. Hsin-Hsien Huang 、Mr. I-Chuan Lee	Ms. Judy Lee、Ms. Robin Ho 、Mr. Ting-Yang Liu、Mr. Hsin-Hsien Huang、 Mr. I-Chuan Lee	Mr. Ting-Yang Liu、Mr. Hsin-Hsien Huang、Mr. I-Chuan Lee	Mr. Ting-Yang Liu 、 Mr. Hsin-Hsien Huang、Mr. I-Chuan Lee
NT$1,000,000 ~ NT$2,000,000	Mr. Yung-Chi Lai	Mr. Yung-Chi Lai	Mr. Yung-Chi Lai	Mr. Yung-Chi Lai
NT$2,000,000 ~ NT$3,500,000			Mr. Tony Ho	
NT$3,500,000 ~ NT$5,000,000				
NT$5,000,000 ~ NT$10,000,000		Mr. Tony Ho	Ms. Robin Ho	Ms. Robin Ho
NT$10,000,000 ~ NT$15,000,000			Ms. Judy Lee	
NT$15,000,000 ~ NT$30,000,000				Ms. Judy Lee、Mr. Tony Ho
NT$30,000,000 ~ NT$50,000,000				
NT$50,000,000 ~ NT$100,000,000				
Over NT$100,000,000				
Total	7	7	7	7

2.2.2 Compensation of President and Vice Presidents

As of Dec. 31, 2025: Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee compensation (D)				Ratio of total compensation (A+B+C+D) and net income (%)		Compensation paid to the president and vice president from an invested company other than the company’s subsidiary
		The company	From All Consolidated entities	The company	From All Consolidated entities	The company	From All Consolidated entities	The company		From All Consolidated entities		The company	From All Consolidated entities	
								Cash	Stock	Cash	Stock			
CEO of strategy & new business development	Tony Ho	50,701	67,079	1,302	1,302	7,468	9,081	278	0	278	0	51.86%	67.48%	0
CEO of Corporate Governance and risk management	Judy Lee													
Chief Operating Officer (COO)	Robin Ho													
Business Development General Manager	Shelly Chen**													
Vice President	Bob Yueh													
Vice President	Edward Kao													
Vice President	Maggy Chen													
Vice President	Linda Lin													
Vice President	Lancy Wu													
Vice President	Monica Chen													
Vice President	Lori Huang**													
Vice President	Eric Chang													
Vice President	Jamie Kuo													
Vice President	Agnes Shih													
Vice President	Kevin Lin**													

** Business Group GM Shelly Chen resigned in May 2025;VP Lori Hung resigned in Apr 2025 ;VP Kevin Lin resigned in Dec 2025.

Bracket	Name of President and Vice President	
	The company	Companies in the consolidated financial statements
Under NT$ 1,000,000		
NT$1,000,000 ~ NT$2,000,000	Kevin Lin、Lori Hung	Kevin Lin、Lori Hung
NT$2,000,000 ~ NT$3,500,000	Agnes Shih、Monica Chen 、Lancy Wu 、Jing-Jing Kuo	Agnes Shih、Monica Chen 、Lancy Wu 、Jing-Jing Kuo
NT$3,500,000 ~ NT$5,000,000	Tony Ho、Edward Kao 、Maggy Chen 、Bob Yueh、Shelly Chen、Linda Lin、Eric Chang	Edward Kao 、Maggy Chen 、Bob Yueh、Shelly Chen、Linda Lin、Eric Chang
NT$5,000,000 ~ NT$10,000,000	Robin Ho	Robin Ho
NT$10,000,000 ~ NT$15,000,000	Judy Lee	
NT$15,000,000 ~ NT$30,000,000		Judy Lee、Tony Ho
NT$30,000,000 ~ NT$50,000,000		
NT$50,000,000 ~ NT$100,000,000		
Over NT$100,000,000		
Total	15	15

2.2.3 Employee profit sharing granted to the management team

As of Dec. 31, 2025; Unit: NT$

	Title	Name	Stock Dividends	Cash Dividends	Total	Proportion of total amount to net profits after tax (%)
Executive Officers	CEO of strategy & new business development	Tony Ho	0	288,834	288,834	0.25%
	CEO of Corporate Governance and risk management	Judy Lee				
	Chief Operating Officer (COO)	Robin Ho				
	Business Development General Manager	Shelly Chen**				
	Vice President	Bob Yueh				
	Vice President	Edward Kao				
	Vice President	Maggy Chen				
	Vice President	Linda Lin				
	Vice President	Lancy Wu				
	Vice President	Monica Chen				
	Vice President	Lori Huang**				
	Vice President	Eric Chang				
	Vice President	Jamie Kuo				
	Vice President	Agnes Shih				
	Vice President	Kevin Lin**				
	Director	Johnson Lee				
	Director	Hamphrey Wang**				
	Director	Celine Hsien				
	Director	Bruce Shen				
	Director	Antyia Tsai				
	Director	Lisa Lin**				
	Director	Elaine Shih				
	Director	Melody Wu**				
	Director	Miya Hsu				
	Director	Eric Yu**				
	Director	Audrey Duna				
	Director	Tonny Chang				
	Director	Jennifer Chu				
	Director	Shupen Yeh				

** Business Group GM Shelly Chen resigned in May 2025;VP Lori Hung resigned in Apr 2025 ;VP Kevin Lin resigned in Dec 2025; Director Hamphrey Wang resigned in Jan 2025; Director Eric Yu resigned in Apr 2025; Director Melody Wu resigned in Sep 2025.

2.2.4 Comparison of Remuneration for Directors Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors Presidents and Vice Presidents

1. The ratio of total remuneration paid by the company and by all companies included in the consolidated financial statements for the most recent two fiscal years to directors presidents and vice presidents of the Company, to the net income in the individual financial statements .

Year / Title	Ratio of total remuneration paid to directors presidents and vice presidents in the individual financial statements to net income (%)- Companies in the consolidated financial statements			
	2024		2025	
	Company	All companies included	Company	All companies included
Directors	7.49%	16.57%	19.82%	39.48%
Presidents and Vice Presidents	19.16%	29.09%	51.86%	67.48%

2. Guiding principles for compensation to directors and management executives:

T he Company's policies, standards, and portfolios for the payment of remuneration:

The remuneration of directors in the Company and the Group under consolidated financial statements includes the following aspects: The transportation expenses are determined by referencing industry standards and are based on the attendance of directors at board meetings. Director remuneration is handled in accordance with the articles of association of our company and its consolidated subsidiaries. The amount of director remuneration is determined by the board of directors through a formal resolution.

Individual director remuneration: The remuneration for each individual director is calculated by multiplying the total amount of director remuneration approved by the board of directors for distribution from the retained earnings by the weighting factors. The weighting factors are determined based on the following criteria: serving as a director/Executive Director/independent director, level of participation in company operations (including ESG implementation) and contribution value, acting as a guarantor for the company's financing needs, director performance evaluation scores, and length of tenure; Compensation for members of functional committees (such as the Compensation Committee and Audit Committee) is calculated based on a fixed remuneration multiplied by the performance evaluation score of the respective committee. However, this allocation still requires review by the Compensation Committee. After the proposal is approved by the board of directors, the remuneration is disbursed.

Remuneration for executives such as the General Manager and vice president includes three categories: salary, bonus, and employee benefits. Salaries are determined based on factors such as the professional expertise and experience of the executives, their job responsibilities, and the local talent market. They are set at a level that reflects the scope of their responsibilities. Annual salary adjustments are implemented considering the economic conditions, industry salary levels, information from professional compensation consulting firms, and individual performance achievements. This ensures that executive remuneration remains competitive. Bonuses include year-end bonuses and performance bonuses. The issuance of year-end bonuses depends on the overall operational performance of the company. Performance bonuses, on the other hand, are highly linked to individual performance and the achievements of the company's operations (including ESG factors). This incentivizes executives to achieve high performance targets. Employee benefits are in accordance with the company's articles of association and are disbursed after submission to the Compensation Committee and approval by the board of directors.

The procedures of remuneration distribution: In accordance with the Company Law and the company's articles of association, if the Company makes a profit in a fiscal year, no less than 1% shall be distributed as employees' compensation (within which no less than 15% shall be allocated to junior employees). Such compensation shall be distributed in the form of stock or cash, as determined by a resolution of the Board of Directors. The Board could also decide no more than 2 % of the abovementioned profit as remuneration for Directors. The distribution of remuneration for employees and Directors should be reported during Shareholders' Meeting. However, when there's accumulated losses, the Company shall reserve certain amount to compensate for the accumulated losses and then distribute the profits to employees and Directors based on the abovementioned percentage. The amount, date, and conditions for the disbursement of the aforementioned remunerations are determined by the Compensation Committee and approved by the board of directors. Once the resolutions are passed, the remuneration will be disbursed accordingly.

The correlation with operation performance and future risks: Director remuneration is evaluated by The Company's Compensation Committee, taking into account the overall performance of the board of directors, individual director performance, company performance (including ESG factors), and future operational and risk considerations. Once the proposal is approved by the board of directors, the remuneration is disbursed. Annual salary adjustments and performance bonuses for executives are highly correlated with individual performance and the overall performance of the company (including ESG implementation). Key indicators considered include the executives' responsibility for business performance and financial indicators, talent development and cultivation within the organization, compliance with regulations, and ESG performance.

Annually, at least once a year, the Compensation Committee conducts regular evaluations and reviews of the remuneration policies, systems, standards, and structures for directors and executives in accordance with regulations. The committee then submits recommendations for discussion by the board of directors to ensure alignment with company policies and market standards, while maintaining a balance between sustainable business operations and risk management.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

A total of 10 meetings of the board of directors were held in the previous period (Year 2025. Director attendance was as follows：

Title	Name	Attendance in Person(B)	By Proxy	Attendance rate (%)【B/A】	Remarks
Chairperson	Ms. Judy Lee	10	0	100%	
Director	Mr. Tony Ho	8	2	80%	
Director	Ms. Robin Ho	9	1	90%	
Independent Director	Mr. Yung-Chi Lai	10	0	100%	
Independent Director	Mr. Ting-Yang Liu	10	0	100%	
Independent Director	Mr. Hsin Hsien Huang	10	0	100%	
Independent Director	Mr. I-Chuan Lee	9	1	90%	

Other notable items：

1.If the operation of the board of directors is one of the following circumstances, the dates of meetings, sessions, contents of motions, all independents' opinion and the Company's response to independent directors' opinion should be specified.

(1) If there are the circumstances referred to in Article 14-3 of Securities：Matters are not applicable since the Company has already established an Audit Committee. Please refer the practice of the audit committee, explained Article 14-5 of the Securities and Exchange Act (page 21)

(2) Except before the opening of the matter, resolutions of the directors' meetings objected to by Independent Directors
or subject to qualified opinion and recorded or declared in writing, the dates of meetings：None

2.If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, abuses for avoidance and voting should be specified: of As described in the table below.

Date of Meeting	Name of director	Content of proposal	Reason for abstention from voting participation	The result for each motion
2025/01/13	Ms. Judy Lee Mr. Tony Ho Ms. Robin Ho	Performance Bonus Allocation Plan for the Company's Managers for the Year 2024.	Chairwoman Judy Lee and Director Tony Ho and Director Robin Ho exercised measures to avoid a conflict of interest,	Interested directors were recused from the discussion and

			as they also serve as managers.	voting, all other directors in attendance passed the motion without objection.
2025/03/12	Ms. Robin Ho	Motion for the company's loan funding to its subsidiary, Hola Furnishing Co., Ltd.	Director Robin Ho exercised measures to avoid a conflict of interest, as she also serve as a chairman of HOLA Furnishing Co., Ltd.	Interested directors were recused from the discussion and voting, all other directors in attendance passed the motion without objection.
2025/03/12	Ms. Judy Lee Mr. Tony Ho Ms. Robin Ho	Motion to the Removal of directors' non-compete restrictions.	Chairwoman Judy Lee and Director Tony Ho and Director Robin Ho exercised measures to avoid a conflict of interest.	Interested directors were recused from the discussion and voting, all other directors in attendance passed the motion without objection.
2025/04/15	Ms. Robin Ho	Motion to transfer the patents to its subsidiary, Hola Furnishing Co., Ltd.	Director Robin Ho exercised measures to avoid a conflict of interest, as she also serve as a chairman of HOLA Furnishing Co., Ltd.	Interested directors were recused from the discussion and voting, all other directors in attendance passed the motion without objection.
2025/04/15	Ms. Judy Lee Mr. Tony Ho Ms. Robin Ho	Motion to the Removal of managers' non-compete restrictions.	Chairwoman Judy Lee and Director Tony Ho and Director Robin Ho exercised measures to avoid a conflict of interest.	Interested directors were recused from the discussion and voting, all other directors in attendance passed the motion without objection.
2025/06/25	All directors	Motion for the distribution of compensation to the Company's individual directors for 2024.	Assessment of supervisory compensation for each of the directors, each director will on an individual basis avoid conflicts of interest.	Interested directors were recused from the discussion and voting, all other directors in attendance passed the motion without objection.
2025/06/25	Mr. Yung-Chi Lai Mr. Ting-Yang Liu Mr. Hsin Hsien Huang Mr. I-Chuan Lee	Annual remuneration distribution of members of the company's functional committee.	Assessment of supervisory compensation for each of the Company's functional committee, Each director will on an individual basis avoid conflicts of interest.	Interested directors were recused from the discussion and voting, all other directors in attendance passed the motion without objection.

2025/06/25	Ms. Robin Ho	Motion for the company's loan funding to its subsidiary, Hola Furnishing Co., Ltd.	Director Robin Ho exercised measures to avoid a conflict of interest, as she also serve as a chairman of HOLA Furnishing Co., Ltd.	Interested directors were recused from the discussion and voting, all other directors in attendance passed the motion without objection.
2025/11/12	Ms. Judy Lee Mr. Tony Ho Ms. Robin Ho	Passed the managerial officer's salary adjustment for 2024.	Chairwoman Judy Lee and Director Tony Ho and Director Robin Ho exercised measures to avoid a conflict of interest, as they also serve as managers.	Interested directors were recused from the discussion and voting, all other directors in attendance passed the motion without objection.
2025/11/12	Ms. Judy Lee Mr. Tony Ho Ms. Robin Ho	Passed the managerial officer's profit sharing of employee's benefits for 2024.	Chairwoman Judy Lee and Director Tony Ho and Director Robin Ho exercised measures to avoid a conflict of interest, as they also serve as managers.	Interested directors were recused from the discussion and voting, all other directors in attendance passed the motion without objection.

3. The execution of self-evaluation by the board of directors and external performance assessment：

Frequency of evaluation	Duration of evaluation	Scope of evaluation	Method of evaluation	Contents of evaluation and outcome
One per Year	2025.1.1～2025.12.31	Evaluation of performance by the board of directors	The self-evaluation by the board of directors/ Peer assessment	The extent of participation in the company's business operations, board composition & structure of the board of directors, appointment and continued refresher and higher education programs for directors, internal control system. The evaluation results are divided into 4 levels: Excellent, Grade A, Fair, and Improvement Required. 2025 the evaluation results : Excellent.
One per Year	2025.1.1～2025.12.31	Evaluation of performance by the individual board of directors	Individual self-evaluation by the directors	Domination of the Company's targets and duties, awareness of director responsibilities and powers, extent of participation in the Company's business operation, management and communications of the internal relationship, profession and continued

				refresher and higher education program of directors, internal control system. The evaluation results are divided into 4 levels: Excellent, Grade A, Fair, and Improvement Required. 2025 the evaluation results : Excellent.
One per Year	2025.1.1～2025.12.31	Evaluation of performance by the board of functional committee(s) (Audit committee & Compensation committee & Corporate Governance & Sustainable Development Committee)	The self-evaluation by the Audit committee & Compensation committee & Corporate Governance & Sustainable Development Committee members	Domination of the Company's targets and duties, awareness of the Committee members on responsibilities and powers, extent of participation in the Company's business operation, management and communications of the internal relationship, expertise of Committee members and continued refresher and higher education program, internal control system. The evaluation results are divided into 4 levels: Excellent, Grade A, Fair, and Improvement Required. 2025 the evaluation results : Excellent.
Implemented every three years	2022.10.1～2025.09.30	Board of Directors Performance Evaluation	External performance evaluation of the board of directors	In November 2025, the Company engaged an independent external professional institution, the Taiwan Association of Board Governance (TABG), to conduct a board performance evaluation. The evaluation framework encompassed six key dimensions: (i) board composition and structure; (ii) director nomination and continuing education; (iii) the extent of board involvement in Company operations; (iv) enhancement of board decision-making quality; (v) internal control; and (vi) sustainability development and value creation. Summary of Evaluation Results 1. The Company maintains

				a stable shareholding structure, and its board comprises members with diverse professional backgrounds, including extensive industry experience, academic credentials, and specialized expertise. Such diversity supports the Company's long-term strategic objectives and sustainable growth initiatives. 2. The board demonstrates a strong commitment to self-governance and accountability by conducting annual internal performance self-evaluations. The evaluation results are incorporated as reference criteria for director reappointment, selection, or nomination. In addition, the Company commissions an independent external board performance evaluation every three years, reflecting the board's dedication to excellence in corporate governance and continuous improvement. 3. In 2022, the board proactively established the Corporate Governance and Sustainable Development Committee, chaired by the Chairman of the Board, to advance ESG-related strategies and policies. As a result of these efforts, the Company has received numerous awards from domestic and international organizations in recent years, underscoring its outstanding performance in sustainable development. 4. The Company has implemented formal succession planning mechanisms for board members and senior executives. These plans are

				disclosed on the Company’s official website and are reported to the board annually, reinforcing the board’s focus on leadership continuity and sustainable talent development. 5. The head of internal audit possesses extensive professional experience and effectively fulfills a key advisory role to the board. Audit plans and focus areas are reviewed proactively on an annual basis, with continuous enhancements to audit methodologies and operational efficiency, thereby strengthening management effectiveness across the organization. 6. Over the past three years, the Company’s average capital expenditure and research and development expenditures as a percentage of total assets, as well as its average return on equity (ROE), have exceeded industry medians. In addition, the Company’s average price-to-book ratio over the most recent four quarters has also surpassed the industry median, demonstrating solid value creation. Planned Areas for Improvement 1. To enhance the whistleblowing mechanism by incorporating procedures for forwarding reported cases to independent directors. 2. To arrange more than two separate communication sessions between independent directors and external auditors, as well as with the head of internal audit. 3. To improve the timeliness and frequency of information updates on the

				Company's official website.

4. Measures taken to strengthen the functionality of the Board：
   (1) The composition of the Company's Board of Directors is in terms of diversity, professional knowledge and skills, and independence and gender equality, in accordance with the Company's Code of Governance and the regulations pertaining to the election of directors.
   (2) The Company has established an Audit and Compensation Committee; The company established the new Functional Committees called Corporate Governance and Sustainable Development Committee development on November 10, 2022, to exercise the relevant powers and functions as prescribed by law, and the Board of Directors, through the division of labor among functional committees, actively strengthens the functions of the directors to implement corporate governance to promote the sustainable development of the company.
   (3) On April 24, 2019, the Board of Directors approved the establishment of standard operating procedures for handling directors' requests and appointed Senior Vice President Linda Lin with extensive experience in financial and accounting management as the head of corporate governance. She is responsible for supervising and implementing corporate governance operations, coordinating information exchange between directors and managerial departments, providing directors with the necessary information to carry out business and performing their duties, and enhancing the effectiveness of the Board.
   (4) The Company arranges for the responsible manager to report to the Board on the status of the development strategies and ad-hoc implementation of the Test Rite Group.
   (5) In order to implement the spirit of corporate governance and effectively enhance the transparency of information, the Company fully discloses operational and financial information in annual reports, on its corporate website, and on M.O.P.S., and hosts investor conferences irregularly.
   (6) To encourage directors to participate actively in various corporate governance courses, the Company also arranges lecturers to provide lessons at the Company to enrich their knowledge on an ongoing basis.
   (7) In order to implement corporate governance and enhance the function of the Board of Directors, the Company has established performance objectives to strengthen the operational efficiency of its Board, and in accordance with the Company's Board Performance Evaluation Method, the performance evaluation of the Board of Directors, Board members, and functional committees is performed at the beginning of each year, In the year2022, an external professional organizations have been engaged to conduct a performance evaluation of the board of directors. The results of these evaluations, covering various aspects, have been reported to the Compensation Committee and the Board of Directors on January 28, 2026. These evaluations will serve as a reference for director remuneration and future nominations.
   (8) Considering the Group's strategic development and sustainable operation, the Corporate Governance and Sustainability Committee and the Board of Directors approved the Succession Plan for Directors and Senior Management on December 28, 2023.

2.3.2 Independent Directors is as follows:

2024 total of seven meetings of the of Audit Committee

Title	Name	Attendance in Person(B)	By Proxy	Attendance rate (%)【B/A】	Remarks
Chairperson	Mr. Yung-Chi Lai	9	0	100%	
Independent Director	Mr. Ting-Yang Liu	9	0	100%	
Independent Director	Mr. Hsin Hsien Huang	9	0	100%	
Independent Director	Mr. I-Chuan Lee	9	0	100%	

Other notable items:

1. The operation of Audit Committee has any circumstance as the following. It should state the date of Audit Committee、the content of the proposal、the resolution of Audit Committee and how the company treat the Audit Committee's opinion.
   (a)If there are the circumstances referred to in Article 14-5 of Securities：

Date and Session of Meeting	The details of meeting agenda	An independent director has a dissenting, qualified opinion or material recommendations	Audit Committee Resolution and the Company's response to the Audit Committee
2025/02/11 (No.1 in 2025)	Approval of the Company’s decision to waive participation in the cash capital increase plan of TLW (Test Rite Retail Co., Ltd.). Passed the motion for the company’s loan funding to its subsidiary, Hoi Living International Co., Ltd. Passed the motion for the company’s loan funding to its subsidiary, Testrite Brand Agency Co., Ltd.	No	Audit Committee: all participating Committee members without an objection and submitted to the board of directors for final decision. Board of directors：Directors approved the proposal unanimously.
2025.03.12 (No.2 in 2025)	Reported of Group internal audit’s business for 2024. Passed the motion for the statement of the Company's internal control system for 2024. Reported on Test Rite Co, Ltd.’s Operational highlights and consolidated financial results for 2024. Passed the motion for profit-sharing for 2024. Approval of the Company’s decision to waive participation in the cash capital increase plan of TLW (Test Rite Retail Co., Ltd.). Passed the motion for the company’s loan funding to its subsidiary, Hoi Living International Co., Ltd. Passed the motion for the company’s loan funding to its subsidiary, Testrite Brand Agency Co., Ltd.	No	
2025.04.15 (No.3 in 2025)	Reported on Test Rite’s audit report for Q1 2025. Approval of the Company’s Logistics Department Segmentation Plan. Passed the motion for the Company to transfer its trademark to its subsidiary, Hola Furnishing Co., Ltd. Approval of the Company's resolution to remove managers' non-competition clause.	No	
2025.05.13 (No.4 in 2025)	Passed the motion of consolidated financial results for Q1 2025.	No	
2025.06.25 (No.5 in 2025)	Passed the motion for the company’s loan funding to its subsidiary, Hola Furnishing Co., Ltd.	No	
2025.08.01 (No.6 in 2025)	Passed the Company's Investment in Hampton Products International Corp.	No	
2025.8.12	Reported of internal audit business for Q2 2024. Reported on Test Rite Co, Ltd. of internal audit’s business for Q2 2025.	No	

(No.7 in 2025)	Passed the motion of consolidated financial results for Q2 2025. Passed the motion for the company's loan funding to its subsidiary, Hoi Living International Co., Ltd. Passed the motion for the company's loan funding to its subsidiary, TESTRITE Brand Agency Co., Ltd. Passed the motion for the company's loan funding to its subsidiary, Test Rite Products Corp. Passed the motion for the Company to transfer its trademark to its subsidiary, TEST RITE Retail Co., Ltd.		
2025.11.12 (No.8 in 2025)	Reported on Test Rite Co, Ltd.'s audit business report for Q3 2025. Passed the motion of consolidated financial results for Q3 2025.	No	
2025.12.24 (No.9 in 2025)	Passed the motion to implement the Company's internal audit plan for 2026. Passed the motion for the Company's operational plan and budget for 2026. Passed the CPA's independence, suitability evaluation, and engagement. Passed the change of CPA, whose independence, suitability evaluation, and engagement will apply starting from Q1 2026. Passed the motion for pre-approve the non-confirmation service list provided by the appointed accounting firm.	No	

(b) Except for the aforesaid matter, other matter was unapproved by the Audit Committee. However, the matter was approved by two-thirds or more of all the directors：None.

2. Independent directors disclose whose avoidance of personal interest. The disclose contains that Independent directors' name, the motion's content and the reason for personal interest avoidance and the participation of voting：None.
3. Independent directors communicate with chief audit Executive and CPA.
   (ex: The company's results of the company's financial and business conditions, matters and method.)：
   (a) Except for the monthly audit report, the internal auditing team shall submit the quarterly audit report of the auditing implementation and annual group auditing report to each independent director. If need be the chief audit Executive should contact the independent directors.
   (b) The audit report shall contain the tracked deficiency in internal control and irregularities which needs to be improved. Moreover, it should be prepared the quarterly report and sent to each independent director.
   (c) On March 7, 2025, independent director held a meeting with the accountant and audit supervisor to discuss the 2024 financial statement audit summary. The meeting covered the scope and methods of the audit, group audits, significant risks, key audit matters, audit findings and recommendations, communication of these findings, sharing of legal responsibilities regarding sustainable information, and the Y2025 group audit report.
   (d) On December 24, 2025, independent directors had a meeting with audit supervisor on sustainable development.
   (e) The Audit Committee will invite public certified accountants to attend the meeting(s) for the relevant motion(s) in the review of quarterly financial statements and auditing and attestation of financial statements, etc.

4. Annual key functions and operations：

(1) Annual key functions

1、Audit amendments to the internal control system.

2、Audit of the effectiveness of the internal control system.

3、Audit amendments to the Acquisition and Disposal ,Engaging in Derivatives Trading, Lending Funds to Others, the handling procedures for financial or operational actions of material significance.

4、Audit of the Major asset or derivatives trading、 Lending Funds or Endorsement and Guarantee.

5、Audit the offering, issuance, or private placement of any equity-type securities.

6、Audit the independence, suitability assessment and appointment of a certified public accountant.

7、Audit appointment or discharge of a financial, accounting, or internal auditing officer.

8、Audit of the financial report.

9、Communicate of internal audit report with the head of internal audit.

10、Communicate the results of annual financial statement audits and other statutory requirements, etc. with certified public accountants.

(2) 2025 operations: Proposals of the Audit Committee meetings have all been reviewed or approved by members of the Audit Committee with no dissent from any of the Independent Directors.

2.3.3 Corporate Governance Execution Status and Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies"

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Explanatory memorandum	
1. Has the Company implemented a Corporate Governance Code of Practice?	✓		The Company's has implemented a Corporate Governance Code of Practice. The Code of Practice is disclosed on the Company's official website and MOPS.	Compliance
2.Shareholding Structure & Shareholders' Rights (1)What are the Company's methods of handling shareholder suggestions or complaints? (2)Does the Company possess a list of major shareholders and an it's of their ultimate owners? (3)What are the risk management mechanisms and "firewall" between the Company and its affiliates? (4)Has the company established internal regulations to ban its personnel from selling and buying securities with information undisclosed to the market?	✓		(1) In the company's " Corporate Governance Best Practice Principles " the section titled " safeguarding shareholders' Rights and Interests" addresses matters related to shareholders. The company has entrusted a shareholder service agency and has designated a spokesperson and Deputy Spokesperson to handle shareholder-related issues. Additionally, an investor mailbox is available to address shareholder inquiries. (2) The Company has a dedicated team responsible for carrying out shareholder-related services, and has appointed a shareholder services agent from a securities firm to assist with matters related to shareholder services. The Company also has access to the list of major shareholders and ultimate controllers of major shareholders. (3) The Company has established and implemented the following internal control guidelines: Subsidiary Supervision Guidelines, Internal Control System for the Supervision of Subsidiaries and Auditing for the Supervision of Subsidiaries and the Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises. (4) The Company has established its "Procedures for Handling Material Inside Information" to address related norm, and all personnel of the Company have signed an internal personnel statement, stating that they will never engage in any illegal insider-trading activities, and that they will take sole responsibility for all related laws and regulations.	Compliance
3.Composition and Responsibilities of the Board of Directors (1)Has the board of directors established and implemented diversification policy objectives measures in its member setup?	✓		(1) According to Chapter three- Structure of Board of Directors, in our Code of Governance, and Article 2-1 in our Rules for Election of Directors, the nominated and selected candidates shall be considered diversified policy objectives: independence,	Compliance

(2)In addition to setting up a remuneration committee and audit committee in accordance with the law, has the Company voluntarily established any other functional committee? (3)Has the Company established a performance rating method for its Board of Directors, and conducted performance ratings accordingly on an annual basis? (4)Does the Company evaluate its CPAs' independence on a regular basis?			gender equity and possession the necessary knowledge, skills, and literacy to perform duties. The diversity and its application shall be disclosed in Company's website. For the policy objective and the implementation of results, please refer to the description of "Diversity and Independence of the Board of Directors" on page 14. (2) Except for the establishment of Compensation Committee and Audit Committee according to the regulation, the company established the new Functional Committees called Corporate Governance and Sustainable Development Committee to deepen corporate governance and sustainable development on November 10, 2022. (3) The board of directors approved the amendment of Performance Evaluation of Board of Directors and the evaluation methods. The Company's performance evaluation was conduct by the financial unit. The board of directors conducts an internal assessment at the end of each fiscal year. The board of directors conducts an internal assessment at the end of each fiscal year, and at least once every three years, an external assessment is conducted by an independent external professional institution, expert or scholar team, or others, etc. The evaluation results are reported to the board of directors prior to the first quarter of the following year for performance evaluation. The performance evaluation of the board of directors encompasses five major dimensions, while the performance evaluation of individual board members include six major dimensions. The performance evaluation of functional committees covers four or five major dimensions. The evaluation results are categorized into four levels: excellent, good, meets standards, and needs improvement. In 2025, the Company engaged the Taiwan Association for Board Performance Enhancement to conduct an external evaluation of the Board of Directors, and a Board Performance Evaluation Report was issued on December 5, 2025. The evaluation results, recommendations, and the Company's improvement actions, together with the internal performance evaluation results of the Board, individual directors, and functional committees, were reported to the Board on January 28, 2026 and disclosed on the Company's website. (4) The Audit Committee of the company conducts regular assessments of the independence of the external auditors annually and subsequently reports the evaluation results to the	

			board of directors. On December 30,2024 (1)the Audit Committee and the board of directors approved the assessment and appointment of the external auditors based on their independence and suitability. The evaluation is conducted based on the Audit Quality Indicators (AQI) framework, considering five dimensions: professionality, quality control, independence, supervision, and innovation capabilities. The evaluation also includes an assessment of the external auditors hired by the company through an internal self- assessment process. The external auditors meet the criteria of not serving as directors or supervisors of the company, not being shareholders of the company, not receiving remuneration from the company, not being related parties, and not being continuously appointed for audit services for seven years. To obtain an Audit Quality Indicator Report (AQI Report) and the statement of Auditor Independence, it is necessary to ensure that auditors and audit personnel adhere to the independence requirements set by their firm. This is crucial to maintain the fairness, objectivity, and independence of their audit engagements. These documents will be used for discussing the appointment of auditors.	
4. Does the public company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, and preparing proceedings for Board meetings and shareholders' meetings)?	✓		The Company has set up financial division to be responsible for corporate governance。The board of directors approved the process of procedure for the director's requirement standard and appoint the company's Company Secretary on April 24, 2019.The Board of Directors resolved to set the standard procedure for director's requirement and appointed Senior Vice President Linda Lin, who has 25 years of experience in financial and accounting management of public companies, to be responsible for supervising and implementing corporate governance operations, including coordinating the exchange of information between directors and managers, providing timely and sufficient information required for directors to carry out their duties, ensuring board procedures and compliance with all applicable laws and regulations, enhancing board effectiveness, assisting directors in complying with laws and regulations, handling matters related to board and shareholders' meetings, and company registration and change registration, among others. The highlights of corporate governance related matters in 2025 are as follows: 1. Convening the board meeting and annual general meeting. 2. Convene investor conferences. 3. Board members have completed at least 6 credits of training courses.	Compliance

<table>
<tr><td></td><td></td><td></td><td>4. Convening the communication meetings between the independent Directors, the head of internal audit, and the certified public accountant.
5. Complete the Self-Evaluation or Peer Evaluation of board of directors
and director members.
6. Completing performance evaluation of the board and directors.
Corporate governance supervisor training hours totaling 12 hours
<table>
<tr><th>Date of Study</th><th>Hosting Institution</th><th>Name of Course/Program</th></tr>
<tr><td>2025/08/08</td><td>Corporate Operating and Sustainable Development Association</td><td>Corporate Governance and Securities Regulations -The case study of directors and supervisors' responsibility in corporate governance</td></tr>
<tr><td>2025/10/28</td><td>Taiwan Corporate Governance Association</td><td>Global Economic Trends and Industry Outlook</td></tr>
<tr><td>2025/10/28</td><td>Taiwan Corporate Governance Association</td><td>Post Merger Integration Management & Value Realization</td></tr>
<tr><td>2025/12/24</td><td>Taiwan Corporate Governance Association</td><td>How do directors and supervisors monitor the enterprise risk management and crisis management</td></tr>
</table></td><td></td></tr>
<tr><td>5. Company whether versus established and Stakeholder (Including but not limited to shareholder & employees & client & suppliers) effective communication channels and public relations departments with stakeholders, responded the important issues of Corporate social responsibility?</td><td>✓</td><td></td><td>The Company has a spokesperson and deputy spokesperson, shareholder services and public relations departments, as well as a mailbox dedicated to investors, the purpose of which is to establish an effective channel of communications with its stakeholders.</td><td>Compliance</td></tr>
<tr><td>6.Has the Company assigned a professional stock transfer agent to handle affairs related to the shareholders' meetings?</td><td>✓</td><td></td><td>The Company has assigned the Stock Agency Department of Yuanta Financial Holdings to handle tasks related to shareholders' meetings.</td><td>Compliance</td></tr>
<tr><td>7.Information Disclosure
(1) Has the Company established a corporate website to disclose information regarding the company’s financials, business and corporate governance status?
(2) What are the other information disclosure channels (e.g., maintaining an English-language website, appointing responsible personnel to handle information collection and disclosure, appointing spokespersons, and webcasting</td><td>✓</td><td></td><td>(1) The Company has set up a corporate website at http://www.testritegroup.com to disclose information about its financial business and corporate governance information. A link to public information of the competent authorities is available at http://mops.twse.com.tw.
(2) In terms of employee benefit, Welfare Committee provides employees with supplementary items of wedding, funeral, injury, emergency relief. To encourage employees to keep learning,</td><td>Compliance</td></tr>
</table>

investors' conference) that the Company has devised? (3) Does the company release the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial report and the monthly operating situation within the prescribed time limit？			balance the life and work, it not only establishes the association and provide subsidies but also hold various group events. In addition, the company holds family shopping days for employees in each quarter, offering special discounts for employees, their relatives and friends to purchase daily necessary products such as home repairment, decorations or daily life. (3) The Company's annual financial report and first, second and third quarter financial reports, as well as the operating conditions for each month, are announced and reported on the public information disclosure website and simultaneously uploaded to the Company's corporate website.	
8.Other important information to facilitate better understanding of the company's corporate governance practices (e.g., employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and insurance purchased for directors and supervisors):	✓		(1) Employee rights：Based on the Company's principles of integrity and good faith, the Company takes proper care of employees and abides by the Labor Standards Act promulgated by the government to protect the legitimate rights and interests of employees, and to provide equal employment opportunities. Our Employee Welfare Committee has implemented an employee pension system that offers employee group insurance, and organizes various training courses for employees, etc. (2) Employee wellness： 1 In terms of employee benefit, Welfare Committee provides employees with supplementary items of wedding, funeral, injury, emergency relief. To encourage employees to keep learning, balance the life and work, it not only establishes the association and provide subsidies but also hold various group events. In addition, the company holds family shopping days for employees in each quarter, offering special discounts for employees, their relatives and friends to purchase daily necessary products such as home repairment, decorations or daily life. 2. In terms of employee health care, we arrange regular health check-ups for employees once every two years, and employ nurses and physician on-site services in accordance with the law, and continue to pay attention to and protect the health of employees by screening potential targets with higher health risks, and having nurses provide health care and preventive health education. (3) Investor relations：The Company discloses relevant information in accordance with the law and has appointed a dedicated investor relations officer who is responsible for managing investor relations and associated activities, in order to protect the interests of investors and stakeholders and to fulfill our corporate	Compliance

			responsibility to shareholders. (4) Supplier relations and rights of stakeholders：The Company's business philosophy lies in achieving mutual success with our suppliers. We have always maintained a positive and healthy relationship with each supplier, and all requests made to vendors and stakeholders have been reasonable. We always offer communication opportunities and respect the legitimate rights and interests of all parties involved. (5) Directors and supervisors of the Company have continuously attended courses related to Corporate Governance: 1. On July 9, 2025, Independent Director I-Chuan Li attended the 2025 Cathay Sustainable Finance and Climate Change Summit Forum, organized by the Taiwan Stock Exchange, and completed 6 hours of continuing education. 2. On August 8, 2025, Chairperson Judy Lee and Director Tony Ho attended the course titled “Corporate Governance and Securities Laws and Regulations—Directors’ and Supervisors’ Responsibilities under Corporate Governance: Overview and Case Studies,” organized by the Association of Corporate Management and Sustainable Development of the Republic of China, and each completed 3 hours of continuing education. 3. On October 28,2025, Chairperson Judy Lee, Director Tony Ho, Director Robin Ho, Independent Director Lai Yung-Chi, Huang Hsin-Hsien , Lee I- Chuan participated in a three-hour course on “Global Economic Trends and Industry Outlook” by the Taiwan Corporate Governance Association. 4. On October 28,2025, Chairperson Judy Lee, Director Tony Ho, Director Robin Ho, Independent Director Lai Yung-Chi, Huang Hsin- Hsien , Lee I-Chuan participated in a three-hour course on “Post Merger Integration Management & Value Realization” by the Taiwan Corporate Governance Association. (6) The board of directors approved the motion of the company’s Risk Management Mechanism to establish the internal control and related internal regulations on November 10, 2022. Reported to the Board of Directors on the progress of risk management implementation (including the results of Y2025 of Risk Management,Y2025 of Risk Scope and Countermeasure, and Y2026 of Risk Management Planning) on December 24, 2025. (7) Customer policy implementation: The Company adheres to the provisions of the contracts that we enter into with customers, and is committed to protecting consumer rights and to providing good service quality.	

			(8) Insurance coverage purchased by the Company on liability of directors and supervisors: The Company has purchased liability insurance coverage for directors and supervisors and complete the Directors' Liabilities Insurance report by the Board of Directors' meeting at August 12, 2025. (9) In order to protect the intellectual property and research and development results, the company passed the Intellectual Property Management System certification on December 11, 2020, and was re-certified in October 2023. The company passed the TIPS (Grade A) verification review, underwent TIPS sampling inspection in April 2024, and reported the Intellectual Property Management Plan and its execution to the Board of Directors on December 24, 2025.	
9.The improvement status for the result of Corporate Governance Evaluation (Not included in the assessment by the company did not need to fill) Our corporate governance the improvement actions are: (1)、To strengthen the prevention of insider trading, the Board of Directors has approved amendments to the Company's Corporate Governance Best Practice Principles and the Procedures for Handling Material Internal Information. These amendments include provisions prohibiting company directors from trading company stock during closed periods: 30 days prior to the announcement of annual financial reports and 15 days prior to the announcement of quarterly financial reports. (2)、The Company introduced the ISO27001 management system in 2023 and obtained the certification of the ISO27001 Information Security Management System in August 2023 (valid from August 21, 2023 to October 31, 2025. Successfully passed the ISO/IEC 27001:2022 transition audit in August 2025 (Validity: August 20, 2025 – August 21, 2026), and reported to the Board of Directors on the implementation status of Information Security Risk Management on November 12,2025.)				Compliance

2.3.4 Composition, Responsibilities and Operations of Remuneration Committee：

1. Information on the Company's Remuneration Committee members is detailed below：

As of Dec 31, 2025

Title	Name (Criteria)	Professional Qualification and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an remuneration committee member
Chairperson and Independent director	Mr. Yung-Chi Lai	Education& Experience, please refer to 6~7 (1) Basic.	● Is not a natural-person, person's spouse and the second degree of kinship hired by the Corporation or any of its affiliates；hold shares of the corporation；is not a director or supervisor of the Corporation or any of its affiliates. ● Has not provided audit services to the Corporation or its affiliates; or has in the past two years provided commercial, legal, financial, accounting, or related services to the Corporation or its affiliates.	0
Independent director	Mr. Ting-Yang Liu			0
Independent director	Mr. Hsin-Hsien Huang			1
Independent director	Mr. I-Chuan Lee			0

2. The remuneration committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors:
   (1) Prescribe and periodically review the performance review and remuneration policy, system, standards, and Culture for directors, supervisors and managerial officers.
   (2) Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers.

3. Operations of Remuneration Committee：
   (1) The Company's remuneration committee includes 4 members.
   (2) The Remuneration Committee members' respective tenures are from May ,30,2024, to May,29,2027
   The Remuneration Committee convened four regular meetings in 2025. The Committee members' attendance status is as follows:

Title	Name	Attendance in Person(B)	By Proxy		Attendance rate (%)【B/A】	Remark
Chairperson	Mr. Yung-Chi Lai	4	0		100%	
Member	Mr. Ting-Yang Liu	4	0		100%	
Member	Mr. Hsin-Hsien Huang	4	0		100%	
Member	Mr. I-Chuan Lee	4	0		100%	

Other notable items:
1.If the directors meetings objected to or modified the proposal of remuneration committee：None.
2.If the remuneration committee member objected to or subject to qualified opinion and recorded or declared in writing：None.

3. The results of the meeting and resolution of the Remuneration Committee in the latest year and the opinions of the Company on the members:

<table>
<tr><th>Directors’ meetings</th><th>Contents of Resolutions</th><th>Committee Opinions</th><th>Resolutions result and of Company's process of the opinions to members</th></tr>
<tr><td>2025.01.13</td><td>Passed the Y2024 performance bonus distribution of the Company's managers.</td><td>No</td><td rowspan="4">Audit Committee: all participating Committee members without an objection, and submitted to the board of directors for final decision.
board of directors：Directors approved the proposal unanimously.</td></tr>
<tr><td>2025.03.12</td><td>The company’s performance evaluation report of board of directors, directors and functional committee in 2024.
Passed the motion for allocation of compensation for the Company's directors, and for the Company’s employee bonus 2024.</td><td>No</td></tr>
<tr><td>2025.06.25</td><td>Passed the motion for allocation of compensation for the Company's directors.
Passed the motion for allocation of compensation for the Company's functional committee.</td><td>No</td></tr>
<tr><td>2025.11.12</td><td>Passed the motion for annual review of the Company's compensation policy for managers.
Passed the motion for the Company's 2025 Salary Adjustment Proposal for Managers.
Passed the motion for managers' profit sharing of employee's benefits for 2024.</td><td>No</td></tr>
</table>

2.3.5 Implementation of the promotion of sustainable development and the differences and reasons regarding the code of Practice for sustainable development of TWSE/TEX-listed Companies

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies" and reasons
	Yes	No	Key Summary	
1. Has the company established a governance structure and set up a full-time (part-time) unit to promote sustainable development, with the board of directors authorizing the top management to handle it, and update the situation?	✓		In 2012, Test Rite established the CSR Committee, chaired by Group General Manager, and formed by managers of our different business units. The PR department was responsible for administrative tasks while the audit department supervised in evaluation. Task forces were set up for corporate governance, corporate commitment, social participation, and environmental protection missions. The committee reported to the board of directors at least annually. To reinforce sustainable management, in November 2022, Test Rite changed the CSR Committee to Corporate Governance and Sustainable Development Committee. A functional committee was set up under the board of directors, comprising 4 independent directors, 3 directors and top managers. The chairman served as convener and chair of the committee, which meet up at least twice a year and report to the board of directors. The board of directors supervise Test Rite' s sustainable development strategies and outcomes. Moreover, to ensure effective management, Test Rite set up a Corporate Governance and Sustainable Development Executive Committee, chaired by the general manager and	Compliance

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies” and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Key Summary</th></tr>
<tr><td></td><td></td><td></td><td>assigning top managers as the deputy chair, and leaders of the environment, mutual prosperity, corporate governance task forces, who lead their teams to implement relevant tasks and response measures.
Corporate Governance and Sustainable Development Committee reported the following issues to the Board of directors in 2025.
(1) Stakeholders engagement
(2) Quarterly Status Updates of Greenhouse Gas Inventory and Verification
(3) Test Rite's sustainability promotion & implementation results</td><td></td></tr>
<tr><td>2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations and formulate relevant risk management policies or strategies based on the materiality assessment?</td><td>✓</td><td></td><td>To keep abreast with the times, based on GRI standards, TCFD guidelines, SASB standards, concerned issues in the industry worldwide, Test Rite collected competitor information relevant to the Group to discuss internally with assistance of external experts. 17 issues common in the industry were identified.
Based on the valid questionnaires of important internal and external stakeholders, taking into account the probability of positive and negative occurrences of the issues and the severity of the impact, the scores are summed up, and then the Corporate Governance and Sustainable Development Committee and each working group confirm the 12 material</td><td>Compliance</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from “Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies” and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Key Summary</th></tr>
<tr><td></td><td></td><td></td><td>issues, including Customer health & safety, Product Marketing & labeling, Circular economy and packaging material management, Response to Climate change & energy management, Employee training & career development, Diversity & equal opportunity, Occupational health & safety, Labor-management relations & forced labor & child labor, Corporate governance & integrity, Risk management & regulatory compliance, Economic performance and Supply chain & procurement
Management.
<table>
<tr><th>Dimension</th><th>Issue</th><th>Approach</th></tr>
<tr><td>Environment & Product</td><td>Customer health & safety</td><td>Customer complaints about PL products were analyzed monthly. A product quality improvement meeting is held if 3 or more products raise quality concerns in a month. A quarterly product quality management meeting is conducted to review and enhance the control mechanism's effectiveness.
The Group’s Food Safety Management Project was</td></tr>
</table></td><td></td></tr>
</table>

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies" and reasons
	Yes	No	Key Summary	
				introduced to ensure compliance with food safety laws and regulations. This initiative included ingredient source control, supplier evaluation, store expiration date management, and postmarket sampling tests conducted by the QA/QC division. Additionally. A Food Safety Management System was established.	

		introduced to ensure compliance with food safety laws and regulations. This initiative included ingredient source control, supplier evaluation, store expiration date management, and postmarket sampling tests conducted by the QA/QC division. Additionally. A Food Safety Management System was established.
	Product Marketing & labeling	Ensure all product packaging and store displays have clear labeling, including certification marks, and comply with the Trademark Act. Incorporate themes of energy saving, low carbon, health, and environmental protection in marketing campaigns. Conduct regular spot checks on product labeling by our QA/QC division to ensure compliance with the Commodity Labeling Act.
	Circular economy	For private label products, environmental protection

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies" and reasons
	Yes	No	Key Summary	
			<table><tr><td></td><td>and packaging material management</td><td>concepts are required to be integrated into the design during the development stage, including eco friendly design of the product itself, use of eco friendly packaging materials, simplified packaging, and flat packaging to save transportation energy consumption, etc. Implement PVC material control in the product management system; conduct training on materials and policies for procurement personnel.</td></tr><tr><td></td><td>Response to Climate change & energy management</td><td>Incorporate climate risk and opportunity assessment into the existing risk management framework, with each department proposing countermeasures based on their functions. Proactively introduce green products and promote green consumption in response to government initiatives and business trends.</td></tr></table>	

Item	Implementation Status					Deviations from "Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies" and reasons
	Yes	No	Key Summary			
			Social	Employee training & career development	Test Rite University works out the annual training plans for company-wide management, general education and specific majors based on business strategies, operation goals and training needs assessment results every year to effectively promote and implement the group's employee career development.	
				Diversity & equal opportunity	Test Rite has set up Human Rights Protection Policy to ensure we carry out legal employment and equal career opportunities. Continued to promote gender equality and respect and required employees to complete the annual sexual harassment prevention training. Regularly checked the gender ratios of employees and management staff in major regions/businesses.	

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	Yes	No	Key Summary			
				Occupational health & safety	Based on the framework of the ISO45001 International Standard for Occupational Health & Safety Management, we gradually implemented Taiwan's occupational health and safety management system with the systematic PDCA model to keep enhancing management performance. Organized occupational safety and health training every year.	
				Labor-management relations, forced labor, child labor	We strictly follow the company's human rights policies and labor-related regulations, and provide employees with full legal protection. Test Rite offers many benefits, including full labor insurance and health insurance coverage, retirement plans and flexible work hours to safeguard our employees' working rights. In addition, we have a wide array of clear communication channels and	

Item	Implementation Status					Deviations from “Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies” and reasons
	Yes	No	Key Summary			
					hold large labor-management conferences every year to maintain effective and reliable communications between the Company and employees.	
			Governance	Corporate governance & integrity	Acknowledging the potentially devastating effects of corruption on social stability, corporate growth and sustainable development, Test Rite operates with the utmost integrity. In addition to complying with laws and regulations, the Company also requests that all employees and suppliers abide by anti-corruption regulations. In 2025, 100% of employees and suppliers signed the Letter of Undertaking with Respect to Integrity.	
				Risk management & regulatory	Each business unit reviews and reports its capabilities in identifying, analyzing, measuring, responding, and monitoring	

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies" and reasons
	Yes	No	Key Summary	
			<table><tr><td></td><td>compliance</td><td>possible risks and level of impact, and propose improved response measures. Conduct regular information security education and training for all Group employees.</td></tr><tr><td></td><td>Economic performance</td><td>Trading: Leverage existing advantages and actively develop Southeast Asia and global supply chains. Further integrate service modules to grow with clients and suppliers through value-added services. Continue to invest in our main business and expand the home industry. Implement ESG to generate operation growth advantages. Retail: Develop online and offline omnichannel integration to lead new consumption patterns and meet new consumer needs after the pandemic. Establish ESG ideas and implement them in new operation types.</td></tr></table>	

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies" and reasons
	Yes	No	Key Summary	
			Supply chain & procurement management: Test Rite continues to implement our supplier assessment system and has established a Supplier Code of Conduct that specifies social, environmental, and corporate governance requirements to be followed by suppliers. The QA/QC/FA (supply chain quality control and supplier evaluation) department is responsible for factory and product inspections as well as supplier product sampling to effectively screen bad quality output.	
3.Enviromental issues (1) Whether the company has established an appropriate environmental management system based on its industry characteristics? (2) Is the company committed to improve energy consumption efficiency and better use recycled materials with low impact on the environment? (3) Does the company assess the impact of climate change on the business now and future risks and	✓		(1) Test Rite's business does not involve manufacturing. In order to realize green services, the company operates according to the 5R environmental principles, and develop executable measures to reduce environmental loading through service design. All medium-sized and large TLW stores (opening up by 2025) in Taiwan have been certified by the EPA as Green Stores that can serve as an example to all industries nationwide. (2) Test Rite improves energy efficiency through active	Compliance

Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies” and reasons
	Yes	No	Key Summary	
opportunities? What are the response measures to related issues? (4) Does the company measure greenhouse gas emissions, water consumption and total weight of waste consumption over the past two years? If the company establishes the management policy for reduction?			management of electricity and oil consumption, green travel, making good use of video communication, and implementing paperless operations. Since 2020, we target electricity intensity to be reduced by 4% year by year. We also proactively introduce green products and promote green consumption in response to government initiatives and business trends. Retail business aims to purchase NT$1 bn or more worth of green products. (3) Through the introduction of TCFD (climate-related financial information disclosure), Test Rite comprehensively inventories and evaluates the impact of various climate related risks and opportunities on the group's operations, and proposes corresponding response strategies and measures to deepen and strengthen climate change management. ・ Governance：Corporate Governance and Sustainable Development Committee - Environmental Sustainability Team with the Chairwoman as the Committee Chairperson. Heads of various main businesses and division senior supervisors serve as committee members. ・ Assessment ： Assess the qualitative and financial impacts on Test Rite for short, medium and long-term based on the TCFD.	

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies" and reasons
	Yes	No	Key Summary	
			・ Strategy：Based on the above assessment, formulate the response strategies, such as working on the disaster prevention SOPs and reviewing the current various measures. ・ Management：Integrate climate risks into Test Rite's risk management structure and continuously watch the identified and potential risks and opportunities. (4) Test Rite has collected statistics on water consumption and the total weight of waste over the past two years. We completed a pilot project for carbon inventory in 2025, then completed the carbon inventory of the mother company and formulated related policies to strengthen the governance structure, set up Key indicators, and respond the requirements. Test Rite has set the following goals for strategic approach. ・ Reduce the Group's energy use intensity by 4% for short term and by 5% for long term. ・ Complete greenhouse gas inventory and external verification in compliance with regulations. ・ Improve the waste recycling rate by 5% compared with the previous year. ・ Follow Internet packaging restrictions and achieve weight loss goals.	

Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies” and reasons
	Yes	No	Key Summary	
			<table><tr><td>Year</td><td>2024</td><td>2025</td></tr><tr><td>Water Consumption (ton)</td><td>14,356</td><td>17,096</td></tr><tr><td>Total Waste(ton)</td><td>350.71</td><td>331.87</td></tr></table>	
4. Social issues (1) Does the company formulate the human rights management policies base on relevant regulations and international standards? (2) Whether the company formulates and implements reasonable employee welfare measures, (including salary, leave and other benefits, etc.) and appropriately reflect business performance to employees’ salary? (3) Does the company provide employees with safe and healthy work environment and regularly implement safety and health training? (4) Whether the company has established effective training and career development program for its employees? (5) For the issues such as privacy, marketing, labeling and customer health, safety and services, whether the company establishes the policies and complaint handling procedures based on the regulations and international	✓		(1) Test Rite Group supports and adheres to the principles and spirits of Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, The United Nations Global Compact (UNGC), International Labor Organization’s (ILO) Declaration of Fundamental Principles and Rights at Work and local regulations of the regions we operate globally to ensure no infringement or violations of human rights are allowed. We provide education training for current employees every year. (2) In addition to complying with the minimum wage requirement in each country we operate, Test Rite Group participates in salary survey every year to devise competitive compensation strategies according to the average salaries of different countries. Organized by the HR department, our salary structure offers different salaries, based on academic qualification, experience, expertise and skills, seniority, and personal performance, and does not discriminate due to gender, religion, race, nationality, or political opinions. The	Compliance

Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies” and reasons
	Yes	No	Key Summary	
standards to protect customer rights? (6) Whether the company has formulated a supplier management policy and requires suppliers to follow the norms for environmental protection, occupational safety and health or labor rights			Company also adjusts the entire staff based on the outcome of operations (including environmental, social and corporate governance) and performance. Aside from providing the leave days required by law, Test Rite also offers official leave on TR Volunteer’s Day and Sports Day to encourage employees to take part in volunteer work. In addition, in concordance with the government's epidemic prevention regulations, Test Rite offers epidemic prevention quarantine leave, epidemic prevention care leave, inoculation leave, and family care leave to help employees balance the demands between work and family care. Employees whose duties require external assignments are provided with transportation allowances. For employees relocating away from their hometowns for work, the Company offers housing subsidies in varying amounts. In addition, Test Rite provides gift money and condolence payments for life events such as marriage, bereavement, childbirth, and hospitalization, in accordance with relevant circumstances. During designated family shopping days, employees are also eligible to enjoy discounts of up to 20% off at the Group’s retail channels. (3) In accordance with regulations, the company has	

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies" and reasons
	Yes	No	Key Summary	
			implemented planning, implementation, inspection and improvement of occupational safety and health management to ensure a safe working environment. TLW established an Occupational Safety and Health Committee, which consists of a chairman and 11 members, of which labor representatives account for 33% of the committee. · All employees must receive at least three hours of labor safety and health on-the-job education and training every three years. Test Rite encourages its employees to expand their knowledge of safety and health, thereby preventing potentially hazardous factors in the workplace from inflicting bodily harm and disasters. · Starting from 2021, each department in TLW has conducted internal audit of the occupational health and safety management system. In addition to the internal audit once a year, the Company hires experts to conduct external audits twice every year. The headquarters also conducts random audits every year. · Operating environment monitoring was carried out in 2025, without any major issues to violate the regulations.	

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	Yes	No	Key Summary	
			There was no occupational death no fire occurred in 2025. (4) Test Rite has a comprehensive employee training system with abundant resources, known as the Test Rite University. The University comprises four colleges. The four colleges have established different training roadmaps based on Test Rite's entrepreneurial vision, management strategies, and mid- to long-term plans. A systematic approach is employed to nurture professional talent and managers of different levels, and to encourage employees to pursue self-improvement. (5) Test Rite complies with customer protection related regulations, such as trademark law, personal information law, food safety law, etc., and formulates relevant policies and complaint procedures to protect the customers. Regarding customer privacy and personal data protection, the company follows the relevant requirements of TPIPAS, inspects the company's personal data protection status year by year, and sets KPIs as indicators for regular review. We continue to obtain "dp.mark" verification. (6) We've developed our own Supplier Code of Conduct at Test Rite. It is an important set of standards against which we evaluate our suppliers. We also refer to it	

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies" and reasons
	Yes	No	Key Summary	
			when setting out rules and specific control measures for suppliers. Test Rite has based the Supplier Code of Conduct on international norms and our clients' basic expectations of our suppliers' social and environmental impact. · We also implement a supplier evaluation system, which is divided into grade A (good), grade B (acceptable), and grade C (unacceptable). Suppliers with an evaluation result of "not acceptable" are required to propose improvement plans. · Test Rite's trading and retail businesses have fully implemented the evaluation policy and conducted hierarchical management of suppliers in 2025.	
5. Does the company refer to internationally accepted reporting standards or guidelines to issue sustainability reports and other reports that disclose the company's non-financial information? If the mentioned report obtained the assurance opinion from a third-party verification unit?	✓		Test Rite's sustainability report references the Sustainability Reporting Standards announced by the Global Reporting Initiatives (GRI) in 2021 , SASB Standards developed by SASB Standards Board, TCFD developed by Financial Stability Board and Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Report by TWSE Listed Companies. External Assurance: EY Taiwan (Limited Assurance, TWSAE 3000)	Compliance

Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TEX Listed Companies” and reasons
	Yes	No	Key Summary	
6. Please explain the deviation if the Company has its own Sustainable Development Best Practice Principles based on “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”?	✓		In line with the amendments promulgated by the Taiwan Stock Exchange, we changed “corporate social responsibility” to “sustainable development” to have Test Rite’s Sustainable Development Best Practice Principles, which came into effect after being approved by the Board of Directors on March 23, 2012.	Compliance
7.Other important information to facilitate better understanding of the company’s sustainable development:	✓		1. All employees and suppliers signed the Letter of Undertaking with Respect to Integrity. 2. Cooperate with local governments to promote home safety and energy conservation. 3. Improve the quality of consumers’ home living through TLW community stores. 4. Décor House Award has been held for 13 consecutive years to cultivate young design talents for the industry. 5. Integrate international customers, supply chains, and consumers into sustainable practices. 6. Work with banks to promote sustainable transformation of the supply chain.	Compliance

2.3.6 Climate-Related Information of Test Rite Co., Ltd.

1、Implementation of Climate-Related Information

<table>
<tr><th>Item</th><th>Implementation</th></tr>
<tr><td>1.Describe how the board and management oversight and govern the climate-related risks and opportunities.</td><td>To reinforce sustainable management, in November 2022, Test Rite changed the CSR Committee to Corporate Governance and Sustainable Development Committee. A functional committee was set up under the board of directors, comprising 4 independent directors, 3 directors and top managers (Judy Lee. Robin Ho, Agnes Shih). The chairman Judy Lee served as convener and chair of the committee, which meet up at least twice a year and report to the board of directors. The board of directors supervise Test Rite’s sustainable development strategies and outcomes, including risks and opportunities of climate change. Moreover, to ensure effective management, Test Rite set up a Corporate Governance and Sustainable Development Executive Committee, chaired by the general manager (Judy Lee), who assigns YC Hsieh as the deputy chair, and leader of the environment team to implement relevant tasks and response measures.
The Committee reports regularly to the Chairwoman and is supervised by the Board which can also give suggestions and approve relevant policies.</td></tr>
<tr><td>2.Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, mid-term and long-term).</td><td>
<table>
<tr><th>Risk and Opportunity</th><th>Impact on Test Rite</th></tr>
<tr><td>The market is unstable due to climate change.</td><td>Long term(+5 years)：The cost of legal compliance is gradually rising, and it turns to be difficult to predict the demand for climate-related products. It is necessary for Test Rite to work closely with suppliers to keep abreast of changes in domestic and foreign regulations to facilitate adjustments for better operational management.</td></tr>
<tr><td>Worsening extreme climate situations may impact operations</td><td>Short term(<3 years))：Flooding may interrupt store operations or supplier transportation, affecting revenue. It is necessary to formulate a climate risk assessment mechanism for store location selection and set up disaster prevention SOP, purchase insurance to transfer risks, and re-plan supplier order delivery management.</td></tr>
<tr><td>Impacts caused by weather model changes</td><td>Long term(+5 years)：Raw material prices may increase due to long-term climate change, reducing product gross profit. And climate issues may cause supply crises. For example, some products require a lot of water to manufacture and may become out of stock due to water shortages or long-term droughts. It is necessary to regularly track global raw material price trends, select suppliers with greater adaptability to climate change, and ensure that marketing activities respond flexibly.</td></tr>
<tr><td>Impact caused by</td><td>Mid-term(3-5 years)：Rising temperatures may require stores to install more cooling equipment or improve their operating efficiency. It is</td></tr>
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</td></tr>
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	increasing average temperature	necessary to implement power-saving measures to reduce the risk of power shortages, strengthen the ability to operate without power supply interruption, and regularly track the impact of energy shortages on raw material prices.
	Develop or expand the demand for low-carbon products and services	Long term(+5 years)：Faced with climate change, consumers are more aware of low-carbon or energy-saving products. By responding to this market demand, it would create business opportunities for Test Rite Retail with better marketing campaigns and incentives.
3.Describing the financial impact caused by extreme climate and transformation actions.	Risk Type	Financial Impact
	Extreme climate	It is estimated that between 2021 and 2030, Taiwan will encounter around eight strong typhoons each year. This would have a severe impact on stores across the country and the financial impact will account for approx. 0.36% of the annual revenue. In addition, climbing temperatures mean additional cooling equipment will be required or the efficiency of existing A/Cs will need to be improved. Furthermore, more power would be consumed. The financial impact accounts for about 0.05% of the annual revenue.
	Transformation Risk	In a BAU scenario: Using Taiwan's future carbon fee regulations to estimate future responding costs and expected business growth in Taiwan in 2025, the financial impact of carbon fees that meet Taiwan's regulatory requirements accounts for about 0.08% of overall revenue. In a Well-below 2oC Net Zero goal scenario, the financial impact of annual carbon emission fees takes up about 0.28% of annual revenue.
4.Explain how climate risk identification, assessment and management processes are integrated into the overall risk management system.	Test Rite has included climate-related risks and opportunity management in the existing risk management operation procedure. Each division checks the climate change risks and opportunity items that are related to the division's function and business and submits responding measures. After the submissions are reviewed by the division's senior supervisors, it is regularly presented to the Committee as a basis for climate-related governance strategy drafting.	
5.If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors and main financial impact.	Based on the 4 risks and 1 opportunity identified by the above-mentioned, the scenario assumptions include: the carbon fees imposed on enterprises according to Climate Change Response Act, operational impacts caused by increasingly severe extreme weather (typhoons, floods), rising raw material prices due to long-term climate change, rising average temperatures to cause power restrictions or power shortage in various stores, and consumers with more awareness of low-carbon or energy-saving products. The parameter items we use include: BAU carbon emissions, recommended carbon prices, revenue growth estimates, labor costs, store revenue, gross profit of products, energy costs etc. We also analyze regulatory	

	trends, consumer behaviors, heavy rain intensity, raw material price trends and other factors. The main financial impacts of climate risks and opportunities include increases in commodity costs, management costs, and operating revenue.
6.If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transformation risks.	We focus on low carbon for transformation and formulates action strategies based on risk and opportunity analysis. We decide to start with three major indicators: energy consumption, greenhouse gas emissions, green procurement and consumption. The goals include reducing electricity intensity by 4%, reducing carbon emissions from core operations by 5% year by year, the purchase amount of green products by retail business to reach more than NT$1 billion, and the number of green label product sales items to increase by 5% year by year.
7.If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	NA
8.If climate-related goals are set, explain the information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) to be offset should be stated.	Activities covered include reducing energy consumption, inventorying and reducing greenhouse gas emissions (Scope 1 and 2), and increasing green product procurement. Test Rite achieved the short-term objectives in 2025. Short-term Objectives：Retail business is to increase the purchase amount of green products to over NT$1 billion. • Mid/long-term Objectives：Increase Green Label product items sold by 5% yearly、reduce core operational carbon emissions by 5% yearly
9.Greenhouse gas inventory & assurance status, and reduction targets, strategies and specific actions (referred to 1-1).	Please refer to the following instructions.

1-1Greenhouse gas inventory and assurance status of the company in recent two years.

1-1-1About greenhouse gas inventory

Total emission (t CO2e), intensity (t CO2e/NT$mn) and information boundary				
According to the sustainable development roadmap for listed companies, the following information should be disclosed by Test Rite. 1. The parent company should start conducting greenhouse gas inventory since 2024. 2. All subsidiaries covered in consolidated financial statement should start conducting greenhouse gas inventory since 2025.				
	2024		2025	
Parent Company	Emission (t CO2e)	Intensity (t CO2e/Revenue,NT$mn)	Emission (t CO2e)	Intensity (t CO2e/Revenue,NT$mn)
Scope 1 Direct GHG emission	152.9535	0.0088	235.5531	0.0152
Scope 2 Indirect GHG emission	1,453.3669	0.0835	1,888.3597	0.1223
Sub-total	1,606.3204	0.0923	2,123.9128	0.1376

	2024		2025	
All subsidiaries in consolidated financial statement			2,638.7457	0.0785
Scope 1 Direct GHG emission			28,855.3977	0.8582
Scope 2 Indirect GHG emission			31,494.1434	0.9367
Sub-total			2,638.7457	0.0785

1-1-2 About assurance of greenhouse gas inventory：NA

1-2 GHG Reduction Targets, Strategies, and Specific Action Plans

To describe the greenhouse gas emissions reduction baseline year and its data, reduction targets, strategies, specific action plans, and the status of achieving the reduction targets.
Greenhouse Gas Emissions Baseline Year and Reduction Targets The Company is committed to advancing its net-zero transition and green operations. Through the establishment of a comprehensive greenhouse gas (GHG) inventory system and third-party verification, the Company accurately monitors its operational carbon emissions, which serve as the basis for emissions reduction management and decision-making. The Company has designated 2025 as its GHG emissions baseline year and has set clear, feasible, step-by-step reduction targets. In alignment with the policy direction of the Climate Change Response Act, the Company has formulated a medium- to long-term vision to achieve net-zero emissions by 2050, with the goal of gradually reducing the overall environmental impact of its operations. Greenhouse Gas Reduction Strategies and Specific Action Plans In consideration of its industry characteristics and operating model, the Company has formulated diversified carbon reduction strategies and continues to implement low-carbon initiatives across energy usage, process improvement, and operational transformation: 1. Low-Carbon Operations and Energy Management The Company has completed the installation of solar power systems at the TestRite headquarters building and the Life 1 Living Plaza Kaohsiung Branch, adopting a self-generation and sale-to-Taipower model. Electricity demand at these sites serves as the basis for short-term carbon reduction targets and the development of renewable energy initiatives. In addition, traditional large-scale storage equipment in data centers has been fully replaced with high-efficiency compact flash storage devices, thereby reducing energy consumption and associated carbon emissions. TLW stores are also required to achieve a 100% pass rate under the Ministry of Environment’s “Green Store Certification,” continuously promoting green operations and environmentally friendly consumer spaces. 2. Circular Resource Utilization and Energy Conservation Tashin Precision Industrial has introduced lightweight modular metal formwork systems into its manufacturing processes to replace traditional wooden formwork, effectively reducing material consumption and waste generation while enhancing resource utilization efficiency. 3. Paperless Operations and Digital Transformation for Carbon Reduction Over the past three years, the adoption rate of electronic coupons in retail operations has increased from approximately 80% to over 95%, significantly reducing paper usage and related carbon emissions. Pilot programs for electronic shelf labels have also been implemented at selected retail locations to replace traditional paper price tags, which are estimated to reduce carbon emissions by approximately 0.461 metric tons. Status of Achievement of Greenhouse Gas Reduction Targets As of the reporting date, the Company has completed its greenhouse gas emissions baseline inventory and third-party verification, and has been gradually implementing various emission reduction initiatives. Measures including the deployment of renewable energy facilities, energy-efficient equipment replacement, the achievement of 100% Green Store Certification across retail locations, and the promotion of paperless retail operations have all been put into practice and have demonstrated initial carbon reduction results. Looking ahead, the Company will continue to strengthen carbon management through enhanced energy management, optimization of operational processes, and collaboration with stakeholders. By steadily advancing its phased greenhouse gas reduction targets, the Company remains firmly committed to progressing toward its long-term vision of achieving net-zero emissions by 2050.

2.3.7Implementation of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/Typed Listed Companies" and Reasons: The Company has established a code for business integrity and honesty, and promotes this policy from time to time in order to prevent staff negligence, which could cause them to mistakenly go against company regulations and affect the Company's goodwill and face the personal risk of criminal charges.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Non-implementation and Its Reason(s)</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanatory memorandum</th></tr>
<tr><td>1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures
(1) Did the company establish an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policy and methods in its regulations and external documents, as well as the commitment of its Board and management to implementing the management policies?
(2) Does the company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct prevention plan on this basis, which at least includes Preventive measures for conduct specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/Typed Listed companies?
(3) Did the company specify operating procedures, guidelines for conduct, punishments for violation, rules of appeal in the unethical conduct prevention plan, and does it implement and periodically review and revise the plan?</td><td>✓</td><td></td><td>(1) The board of directors approved Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct that the company shall has the Act Announcement of Insider trading and Ethical Corporate Management Best Practice Principles to Insiders(i.e., directors and managerial officers) and Quasi-insiders(i.e., group’s executive manager and finance and accounting staffs) and sign the statement of Insider trading and Ethical Corporate Management Best Practice Principles at the beginning of every year. In March 2025, the company already disseminated the regulation to a total of 103 directors, managers and Quasi-insiders (i.e., group executives and accountants) to sign the declaration of insider trading and ethical Corporate Management Best Practice Principles. Additionally, legal compliance training was conducted in September, covering: (a)the regulation related with insider trading for confidentiality duty of the insider and Quasi-insiders.(b) ethical corporate management best practice principles and the penalties and handling of violations of laws and regulations.
(2) With respect to a confirmed information, this Corporation shall charge relevant units with the</td><td>consistent</td></tr>
</table>

			task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence. (3) The company should disclose its policy in its internal rules which prohibits the use and acceptance of bribery, illegal campaign contributions, improper charity donations, the offering or accepting of unreasonable gifts, hospitality, or any other improper benefits. Violators are punished pursuant to regulations. The Company has invested in crime insurance. Any violator of the Business Integrity Policy (or relevant regulations) will be severely disciplined, including immediate dismissal and termination of business relationship.	
2. Corporate Conduct and Ethics Compliance Practice (1) Has the Company implemented measures to prevent doing business with those who hold unethical records, and also included business conduct and ethics-related clauses in its business contracts? (2) Did the company establish a dedicated unit under the board of directors to promote ethical corporate management, and periodically (at least once a year) report to the Board of Directors and supervise the implementation of the ethical corporate management policy and unethical conduct prevention plan? (3) Has the Company established policies to prevent conflict of interest and provided appropriate channels for communication and complaint? (4) Does the company have effective accounting system and internal control systems set up to facilitate ethical corporate management, does the internal auditing unit formulate audit plans based on unethical conduct risk assessment results, and does it audit compliance with the unethical conduct prevention plan or commission a CPA to perform the audit? (5) Does the Company host routine internal and external	✓		(1) The Company has incorporated the relevant provisions on the integrity of behavior into all commercial agreements. (2) The Company shall establish its "Code of Ethics for Business Management" within this year and shall assign a full-time business unit to take charge of its implementations and to report the actual status to the Board of Directors from periodically (at least once a year). (3) From time to time, the Company communicates with its employees on the integrity of business operations and reminds them to observe the principles of honesty and to abide by the law. The Company also provides an email address and telephone number Department for reporting violations. (4) The board of directors approved ethical Corporate Management Best Practice Principles and subordinated to approved and regular auditing planning. (5) The company has disseminated the“ Letter	consistent

training geared towards business integrity practices?			Of Undertaking of Integrity" and " Trade Secrets" to all employees of the group, 3,450 employees, completed signing electronically. In addition, the company declared Ethical Management philosophy to external vendors. All our vendors and all employees finished to sign the Letter of Undertaking of Integrity. periodically (at least twice a year).	
3. Has the Company established channels for reporting any ethical irregularities and set up appropriate punitive measures for violations of the policies? (1) Has the Company set in place specific reporting and rewarding systems, as well as constructed a pipeline to facilitate in reporting, and assigned appropriate specialist staff for handle the personnel being reported on? (2) Does the company establish standard operating procedures for investigating reported cases, and does it take subsequent measures and implement a confidentiality mechanism after completing investigation? (3) Has the Company taken measures to ensure that whistleblowers are not subjected to inappropriate treatment from the reporting actions?	✓		(1) The Company has the set of the "Procedures for Ethical Management and Guidelines for Conduct" that stipulated the handling whistleblowing reports and whistleblowing Channels for personnel 's unethical conduct. (2) The Company has the set of the "Reporting and Investigation Operation Process" violations may be reported through the designated email address or telephone number provided by the Human Resources Department. Where necessary, employees are welcome to contact HR directly. (3) The company has preserving confidentiality and allowing anonymous reporting to protect the whistleblowers from improper punishment for reporting matters.	consistent
4. Information Disclosure Has the Company disclosed information regarding its corporate social responsibility, which pertains to the Company's relevance and reliability, on its corporate website and the MOPS?	✓		The Company implements Business Integrity Policy and Procedures for Ethical Management and Guidelines for Conduct, and publicly announced this information on our official website. The Company has clearly disclosed its corporate values of integrity, accountability, modesty, customer-driven and high performance on our company website.	consistent
5. If the company has established corporate governance policies based on TSE Corporate Conduct and Ethics Best Practice Principles, please describe any discrepancies between the policies and their implementation : None.				
6. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., promoting and demonstrating the company's commitment to keeping in line with ethical standards, providing training to its business partners, and reviewing the company's corporate conduct and ethics policy). On November 11, 2013, the Board of Directors approved the establishment of the Code of Conduct for Ethical Operation. On December 16, 2016, the Board of Directors approved the establishment of the Procedures and Guidelines for Ethical Operation. On November 09, 2018, the Board of Directors approved				

the amendment of the Code of Conduct for Ethical Operation and the Procedures and Guidelines for Ethical Operation applicable to Group companies and organizations. On March 25, 2020, the Board of Directors approved the revision of the Code of Conduct and the Procedures and Guidelines for Conducting Business with Integrity and published on the Company's website as required by law. The dedicated unit reports the result of supervision implementation to the board of directors once a year, and have the report to board of directors on November 12, 2024. The Highlights of the report is the Honesty and Integrity plan and implementation. We have been, from time to time, communicating with our suppliers our corporate values of integrity, accountability, modesty, customer-driven and high performance. We have also incorporated the relevant provisions on the integrity of behavior into our commercial agreements.
7. Other important information to facilitate a better understanding of the company's corporate social responsibility practices: ：sustainable development report.

2.3.8 If the company has set a corporate governance policy and other related regulations, give methods of inquiry for disclosure of this information. The Company has established procedures to process significant internal significant information and business integrity practices policy. This information is disclosed on the Company's internal data management system as well as on its official website (http://www.testritegroup.com). Special explanations dedicated to integrity practices can be found in the Conflict of Interest section, in which the Company's vision and management for integrity practices are expressed. Additionally, the Company also offers related corporate governance legal information for new directors and managers either when they are first recruited or from time to time.

2.3.9 Other Important Information Regarding Corporate Governance：

i. Managers' training records：

Position	Name	Date of Study	Hosting Institution	Name of Course/Program	Hours of Study
Chief Operating Officer (COO)	Robin Ho	2025/10/28	Taiwan Corporate Governance Association	Global Economic Trends and Industry Outlook	3.0
		2025/10/28	Taiwan Corporate Governance Association	Post Merger Integration Management & Value Realization	3.0
Vice President	Linda Lin	2025/08/08	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations -The case study of directors and supervisors' responsibility in corporate governance	3.0
		2025/10/28	Taiwan Corporate Governance Association	Global Economic Trends and Industry Outlook	3.0
		2025/10/28	Taiwan Corporate Governance Association	Post Merger Integration Management & Value Realization	3.0
		2025/12/24	Taiwan Corporate Governance Association	How do directors and supervisors monitor the enterprise risk management and crisis management	3.0
Auditing Supervisor	Lancy Wu	2025/03/26	Taiwan Corporate Governance Association	Seminar on Strengthening Resilience and Sustainability Governance	2.0
		2025/05/21	Computer Audit Association	Sustainable Finance and Data Governance	3.0
		2025/09/03	Taiwan Corporate Governance Association	Corporate Governance Summit -Thriving for Talent Edge via Focusing on Governance	6.0

Position	Name	Date of Study	Hosting Institution	Name of Course/Program	Hours of Study
		2025/10/23	The Institute of Internal Auditors	AI Applications and Innovations in Enterprises from a Legal and Governance Perspective	3.0
		2025/10/28	Taiwan Corporate Governance Association	Global Economic Trends and Industry Outlook	3.0
		2025/10/28	Taiwan Corporate Governance Association	Post Merger Integration Management & Value Realization	3.0

ii Employees’ certification related to financial transparency：

Name	Certification
Lancy Wu	Qualified Internal Auditor (QIA)、Certified Internal Auditor (CIA)、Internal Control of Corporation Test of Securities and Futures Institute、 Basic Test on Sustainable Development of Securities and Futures Institute
Lynn Lee	Qualified Internal Auditor (QIA)、Certified Internal Auditor (CIA)、Certification in Risk Management Assurance (CRMA)、Internal Control of Corporation Test of Securities and Futures Institute
Vivian Ko	Internal Control of Corporation Test of Securities and Futures Institute
Ann Chang	Qualified Internal Auditor (QIA)、Internal Control of Corporation Test of Securities and Futures Institute
River Chen	Internal Control of Corporation Test of Securities and Futures Institute
Amy Chen	Internal Control of Corporation Test of Securities and Futures Institute
Tiffany Chang	Internal Control of Corporation Test of Securities and Futures Institute
Judy Chen	American accountant、Senior Professional and Technical Examinations for Certified Public Accountants

2.3.10 Internal Control System：

Statement of Internal Control System：

Please refer to the Market Observation Post System.

(https://mops.twse.com.tw/mops/#/web/t06hsg20)

2.3.11 In the most recent year and up to the printing date of the annual report, if the Company and its internal personnel were punished according to law, or if the Company punished its internal personnel for violating the provisions of the internal control system, and the results of such punishment may have a significant impact on shareholders' equity or securities prices, the punishment content, major defects, and improvement status shall be specified: None

2.3.12 For the most recent year and up to the date of the printing of the Annual Report, the important resolutions of the Shareholders' Meeting and the Board of Directors, and their execution are as follows:

1. Important resolutions of the Shareholders' Meeting and their execution:

The 2025 Stockholder's General Meeting for Test Rite Corporation was held on May 28, 2025 at the Meeting Room, sixth floor, No. 23, Sec. 3, Hsinchu Rd., Nehu District, Taipei City. The matters passed by the shareholders in attendance and their execution are as follows:

(1) TO report 2024 employees' compensation and directors' remuneration.

(2) TO report the cash dividend distribution of 2024.cash dividend from NT$0.90 per share. The Chairperson of the Board appointed that the ex-dividend is June 22, 2025 and the payable date is July 4,2025.

(3) TO report on the share offering in connection with the listing application of our subsidiary, Test Rite Retail Co., Ltd. Test Rite Retail Co., Ltd., in response to future strategic development and to strengthen its capital base, resolved in its board meeting held on February 11, 2025, to conduct a capital increase by issuing 26,000,000 new common shares. Of these, 15% will be reserved for employee subscription pursuant to the Company Act, while the remaining 85% will be subscribed pro ratio by existing shareholders as recorded on the subscription record date. To facilitate the shareholding restructuring required for listing, the board of directors of the Company resolved on February 11, 2025, to authorize the Chairman of Li Chiu Co., Ltd. (a subsidiary of the Company and a shareholder of Test Rite Retail Co., Ltd.) to fully waive its subscription rights.

(4) TO report amendment to Regulations of Repurchased Shares Transferred to Employees.

(5) Acknowledged the sales report and financial reports and consolidated financial statements of the 2024 fiscal year. Execution Cum consolidated financial statements.
Execution: resolved pass, consolidated financial statements have been published in the Market Observation Post System and the company's website.

(6) Acknowledged the proposal for distribution of 2024 earnings.
Execution: resolved to pass.

(7)Amendment to Procedures for Acquisition and Disposal of Assets. Please proceed with discussion.
Execution: resolved to pass.

(8)Amendment to the Articles of Incorporation. Please proceed to discuss.
Execution: resolved to pass.

(9)Removal of directors' non-compete restrictions.
Execution: resolved to pass.

2. Important resolutions of the Board of Directors:

The Company has held 10 Board of Director Meetings, from April 16, 2025. to March 31, 2026. Abstracts of important resolutions are as follows:

Date of the Board of Directors Meeting	Abstract of Important Resolutions
May. 13.2025	The company's cash distribution reference date and other related matters report. Passed the motion of consolidated financial results for Q1 2025. Passed of partial amendments to "Regulations of Company's Seal Management."
June 25, 2025	Executive Progress Report on Organizational Greenhouse Gas Inventory and Verification Schedule Planning for the second quarter.

	Passed the motion of Test Rite Sustainability Report. Passed the motion for allocation of compensation for the Company's directors. Passed the motion for allocation of compensation for the Company's functional committee. Passed the adjustment of the credit line for the company’s loan funding to its subsidiary, Test Rite Retail Co., Ltd.
Aug 1, 2025	Passed the Company's Investment in Hampton Products International Corp.
Aug 12, 2025	Reported on Test Rite Co, Ltd. of internal audit’s business for Q2 2025. The Company has purchased liability insurance coverage for directors. Executive Progress Report on Organizational Greenhouse Gas Inventory and Verification Schedule Planning for the third quarter and Test Rite Sustainability Report. Passed the motion of consolidated financial results for Q2 2025. Passed the motion for the company’s loan funding to its subsidiary, Hoi Living International Co., Ltd. Passed the motion for the company’s loan funding to its subsidiary, TESTRITE Brand Agency Co., Ltd. Passed the motion for the company’s loan funding to its subsidiary, Test Rite Products Corp. Passed the motion for the Company to transfer its trademark to its subsidiary, TEST RITE Retail Co., Ltd.
Nov 12, 2025	Reported on Test Rite Co, Ltd.’s audit business report for Q3 2025. Executive report on Information Security Risk Management. Reported on the supervisory implementation of the Company's ethical corporate management policies and prevention programs. Passed the motion for managers' profit sharing of employee's benefits for 2024. Passed the motion of consolidated financial results for Q3 2025. Passed the motion for the right-of-use assets. Passed of amendments to the Company's Internal Control System and Internal Audit Implementation Rules.
Dec 24, 2025	The company's report on intellectual property management plan and implementation. The company's report on risk management implementation. Executive Progress Report on Organizational Greenhouse Gas Inventory and Verification Schedule Planning in the fourth quarter. The company's report on Capital Injection for Its Indian Subsidiary through Subsidiaries Fusion Co., Ltd. and International Art Co., Ltd. Passed the motion to implement the Company's internal audit plan for 2026. Passed the motion for the Company's operational plan and budget for 2026. Passed the CPA's independence, suitability evaluation, and engagement. Passed the change of CPA, whose independence, suitability evaluation, and engagement will apply starting from Q1 2026. Passed the motion for pre-approve the non-confirmation service list provided by the appointed accounting firm. Passed the amendment to “Corporate Governance Best-Practice Principles”. Passed the amendment to “Procedures for Handling Material Inside Information”.
Jan. 13, 2025	Passed the Y2024 performance bonus distribution of the Company's managers.
January 28, 2026	The company’s external performance evaluation report of board of directors. The company’s performance evaluation report of board of directors, directors and functional committee in 2025. Report on the Results of the 2025 Independent Directors' Qualification Review. Passed the Y2025 performance bonus distribution of the Company's managers. Passed the change of the Company’s governance director.
March 11, 2026	Reported on Test Rite Co, Ltd.’s audit business report for Q4 2025. Y2025 Quarter 1 of execution report of the "Greenhouse Gas Inventory and Verification". Reported on IFRS sustainable disclosure guidelines implementation plan Q1 progress. Passed the motion for allocation of compensation for the Company's directors, and for the Company’s employee bonus 2024. Reported on Test Rite Co Ltd.’s Operational Highlights and consolidated financial results for 2024. Passed the motion for profit-sharing for 2024.

	Passed the motion for the statement of the Company's internal control system for 2024. Passed the motion for the company's loan funding to its subsidiary, Hola Furnishing Co., Ltd. Pass the motion for cash distribution from legal reserve. Passed the motion for share disposal plan for subsidiary " Chung Cin Enterprise Co., Ltd." Passed the motion for capital injection for subsidiary "Test Rite Business Development (China) Co., Ltd. Passed the Amendment to Procedures for Acquisition and Disposal of Assets. Passed the motion to call for the Company's Stockholder's General Meeting for 2026.

2.3.13 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors：None.

2.3.14 Resignation or Dismissal of Personnel Involved in Preparation of Financial Reports：None.

2.4 Information of Accountant's Fees

Unit：NTD$ thousands

Auditors	Name	Period	Audited fee	Non-audited fee	Total	Remark
Deloitte & Touche	CHI-Ming Hsu	2025/1~4 season	4,770	2,270	7,040	Non-audited fee：TP report 920, Country-by-Country Report 800, CFC subject to Tax Report by foreign companies 250, GloBE 300.
	Kuo-Tyan Hong	2025/1~4 season				

2.5 Information on replacement of certified public accountant：None.

2.6 Company Chairperson, President, and financial / accounting manager held positions in the Company's audit firm or its affiliates within the past year：None.

2.7 Changes in Shareholding of Directors, Managers and Major Shareholders：

1. Changes in Share Transfers and Share Pledges of Directors, Management, and Major Shareholders
   (1) Share Transfers
   Please refer to the Market Observation Post System.
   (https://mops.twse.com.tw/mops/#/web/query6_1)
   (2) Changes in Share Pledge Status
   Please refer to the Market Observation Post System.
   (https://mopsov.twse.com.tw/mops/web/STAMAK03_1)

2. Shares Trading with Related Parties：None.

3. Shares Pledge with Related Parties：None.

2.8 Information Disclosing the Relationship between any of the Company's Top Ten Shareholders：

Date: Mach 29, 2026

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Shareholders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Tsai Wang Enterprise Company Limited Representative: Mr. Chen, Ching-Hwa	50,954,000	9.99%	0	0	0	0	Li Hsiung Co., Ltd. Tsai Ye Enterprise Company Limited. X-Cel Relationship Management Co., Ltd. Up Master Investment Co., Ltd. Quality Master Co., Ltd. Judy Lee Manful Investment Co., Ltd.	Relationship	-
Li Hsiung Co., Ltd. Representative: Mr. Chen, Ching-Hwa	50,930,263	9.99%	0	0	0	0	Tsai Wang Enterprise Company Limited. Tsai Ye Enterprise Company Limited. X-Cel Relationship Management Co., Ltd. Up Master Investment Co., Ltd. Quality Master Co., Ltd. Judy Lee Manful Investment Co., Ltd.	Relationship	-
Quality Master Co., Ltd. Representative: Mr. Chen, Ching-Hwa	50,669,774	9.94%	0	0	0	0	Tsai Wang Enterprise Company Limited. Li Hsiung Co., Ltd. Tsai Ye Enterprise Company Limited. Up Master Investment Co., Ltd. X-Cel Relationship Management Co., Ltd. Judy Lee Manful Investment Co., Ltd.	Relationship	-
Up Master Investment Co., Ltd. Mr. Chen, Ching-Hwa	50,650,000	9.93%	0	0	0	0	Tsai Wang Enterprise Company Limited. Li Hsiung Co., Ltd. Tsai Ye Enterprise Company Limited. X-Cel Relationship Management Co., Ltd. Quality Master Co., Ltd. Judy Lee	Relationship	-

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Shareholders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
							Manful Investment Co., Ltd.		
X-Cel Relationship Management Co., Ltd. Representative: Mr. Chen, Ching-Hwa	50,391,389	9.88%	0	0	0	0	Tsai Wang Enterprise Company Limited. Li Hsiung Co., Ltd. Tsai Ye Enterprise Company Limited. Up Master Investment Co., Ltd. Quality Master Co., Ltd. Judy Lee Manful Investment Co., Ltd.	Relationship	-
Tsai Ye Enterprise Company Limited. Mr. Chen, Ching-Hwa	50,071,000	9.82%	0	0	0	0	Tsai Wang Enterprise Company Limited. Li Hsiung Co., Ltd. X-Cel Relationship Management Co., Ltd. Up Master Investment Co., Ltd. Quality Master Co., Ltd. Judy Lee Manful Investment Co., Ltd.	Relationship	-
Judy Lee	45,547,294	8.93%	31,795,550	6.24	0	0	Tony Ho Tsai Wang Enterprise Company Limited. Li Hsiung Co., Ltd. Tsai Ye Enterprise Company Limited. Up Master Investment Co., Ltd. X-Cel Relationship Management Co., Ltd. Quality Master Co., Ltd. Manful Investment Co., Ltd.	Spouse Relationship Relationship Relationship Relationship Relationship Relationship Relationship	-
Manful Investment Co., Ltd. Representative: Mr. Chen, Ching-Hwa	33,101,083	6.49%	0	0	0	0	Tsai Wang Enterprise Company Limited. Li Hsiung Co., Ltd. Tsai Ye Enterprise Company Limited. X-Cel Relationship Management Co., Ltd. Up Master Investment Co., Ltd.	Relationship	-

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Shareholders		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
							Quality Master Co., Ltd. Judy Lee		
Tony Ho	31,795,550	6.24%	45,547,294	8.93	0	0	Judy Lee	Spouse	-
Chang Qiu Dun	17,504,714	3.43%	0	0	0	0	-	-	-

2.9 Long-term Investment Ownership

Date: December 31, 2025
Unit：Share：%

Long-term Investment	Ownership by Test Rite		Direct/Indirect Ownership by Directors and Management		Total Ownership	
	Shares	%	Shares	%	Shares	%
Test Rite Retail Co., Ltd.	16,899,999	17.60%	52,500,001	54.69%	70,000,000	72.29%
Test Rite Home Service Co., Ltd.	0	0.00%	8,600,000	72.29%	8,600,000	72.29%
Hola Furnishing Co., Ltd.	40,877,619	51.06%	0	0.00%	40,877,619	51.06%
Testrite Brand Agency Co., Ltd.	47,122,800	100.00%	0	0.00%	47,122,800	100.00%
Hoi Living International Co., Ltd.	6,758,299	100.00%	0	0.00%	6,758,299	100.00%
Chung Cin Enterprise Co., Ltd.	57,291,330	91.67%	0	0.00%	57,291,330	91.67%
Tony Construction Co., Ltd.	0	0.00%	36,100,000	87.08%	36,100,000	87.08%
Test Cin M&E Engineering Co., Ltd.	0	0.00%	11,145,000	87.32%	11,145,000	87.32%
Chung Cin Interior Design Construction Co., Ltd.	0	0.00%	3,240,000	82.50%	3,240,000	82.50%
Le-Joy Innovation Co., Ltd.	0	0.00%	6,204,000	51.70%	6,204,000	51.70%
Test Cin International Co., Ltd.	0	0.00%	1,377,000	46.75%	1,377,000	46.75%
Test King Industry Co. Ltd.	0	0.00%	1,197,000	64.17%	1,197,000	64.17%
Test Pro Development Co., Ltd.	0	0.00%	8,442,000	34.64%	8,442,000	34.64%
Zenni kin Co., Ltd.	0	0.00%	36,000	91.67%	36,000	91.67%
Viet Han Co., Ltd.	0	0.00%	USD 4,000,000	91.67%	USD 4,000,000	91.67%
Chung Cin Enterprise (U.S.) Corp.	0	0.00%	1,000,000	91.67%	1,000,000	91.67%
Lih Teh International Co., Ltd.	2,500,000	100.00%	0	0.00%	2,500,000	100.00%
Lih Chiou Co., Ltd.	302,254,000	100.00%	0	0.00%	302,254,000	100.00%
Fusion International Distribution, Inc.	7,819,838	100.00%	0	0.00%	7,819,838	100.00%
International Art Enterprise Co., Ltd.	2,550,000	100.00%	0	0.00%	2,550,000	100.00%
B&S Link Co., Ltd., Ltd.	2,300,000	100.00%	0	0.00%	2,300,000	100.00%
Test Rite Pte Ltd.	2,100,000	100.00%	0	0.00%	2,100,000	100.00%
Lucky Rite Company Ltd.	VND93,200,000	100.00%	0	0.00%	VND93,200,000	100.00%
Test Rite Products (Hong Kong) Limited.	9,999	100.00%	1	0.00%	10,000	100.00%
Test-Rite International (U.S.) Co., Ltd.	7,635	94.40%	453	5.60%	8,088	100.00%
Test Rite Int’l (Canada) Ltd.	100	100.00%	0	0.00%	100	100.00%
Test-Rite Int’l (Australia) Pty Limited.	3,550,000	100.00%	0	0.00%	3,550,000	100.00%
Test-Rite (UK) LTD.	775,930	100.00%	0	0.00%	775,930	100.00%
Test-Rite Development GmbH	9,670,000	100.00%	0	0.00%	9,670,000	100.00%
Test Rite Retailing Co., Ltd.	146,965,000	100.00%	0	0.00%	146,965,000	100.00%
Test Rite Trading Co., Ltd.	85,835,294	100.00%	0	0.00%	85,835,294	100.00%
Fortune Miles Trading Inc.	30,000	100.00%	0	0.00%	30,000	100.00%
Up master International Co., Ltd.	6,400,000	100.00%	0	0.00%	6,400,000	100.00%
Hampton Products International Corporation	905,221	23.2%	392,900	10.07%	1,298,121	33.27%

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

A. Issued Shares

Month / Year	Par Value (NTD)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NTD)	Shares	Amount (NTD)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1978.07	10	200,000	2,000,000	200,000	2,000,000	Initial issue NT$2,000,000	-	-
1981.12	10	700,000	7,000,000	700,000	7,000,000	Capital injection NT$5,000,000	-	-
1983.09	10	1,700,000	17,000,000	1,700,000	17,000,000	Capital injection NT$5,800,000 Capitalization of earnings NT$4,200,000	-	-
1984.12	10	4,700,000	47,000,000	4,700,000	47,000,000	Capital injection NT$25,000,000 Capitalization of earnings NT$5,000,000	-	-
1987.10	10	8,000,000	80,000,000	8,000,000	80,000,000	Capital injection NT$9,400,000 Capitalization of earnings NT$23,600,000	-	-
1988.11	10	19,000,000	190,000,000	19,000,000	190,000,000	Capital injection 78,000,000 Capitalization of earnings NT$32,000,000	-	-
1990.12	10	36,100,000	361,000,000	36,100,000	361,000,000	Capital surplus NT$171,000,000	-	-
1991.07	10	45,125,000	451,250,000	45,125,000	451,250,000	Capital surplus NT$90,250,000	-	-
1992.07	10	56,406,250	564,062,500	56,406,250	564,062,500	Capitalization of earnings NT$67,687,500 Capital surplus NT$45,125,000	-	-

1993.08	10	100,000,000	1,000,000,000	71,018,816	710,188,160	Capitalization of earnings NT$28,203,120 Capital surplus NT$112,812,500 Employee bonuses NT$5,110,040	-	-
1994.08	10	150,000,000	1,500,000,000	116,137,660	1,161,376,600	Capitalization of earnings NT$139,999,948 Employee bonuses NT$11,376,652 Capital surplus NT$10,000,000 Capital injection 289,811,840	-	-
1995.07	10	150,000,000	1,500,000,000	129,400,000	1,294,000,000	Capital surplus NT$116,137,660 Employee bonuses NT$16,485,740	-	-
1996.09	10	150,000,000	1,500,000,000	136,400,000	1,364,000,000	Capital surplus NT$64,700,000 Employee bonuses NT$5,300,000	-	-
1997.08	10	183,680,000	1,836,800,000	150,920,000	1,509,200,000	Capitalization of earnings NT$13,640,000 Employee bonuses NT$8,800,000 Capital surplus NT$122,760,000	-	No：（86）111752
1998.07	10	230,000,000	2,300,000,000	167,600,000	1,676,000,000	Capitalization of earnings NT$15,092,000 Employee bonuses NT$15,880,000 Capital surplus NT$135,828,000	-	No：（087）087118452
1999.07	10	250,000,000	2,500,000,000	200,000,000	2,000,000,000	Capitalization of earnings NT$301,680,000 Employee bonuses NT$22,320,000	-	No：（088）088126231
2000.10	10	370,000,000	3,700,000,000	233,500,000	2,335,000,000	Capitalization of earnings NT$300,000,000 Employee bonuses NT$35,000,000	-	No：（089）135122
2001.03	10	370,000,000	3,700,000,000	239,890,794	2,398,907,940	CB conversion: NT$63,907,940	-	No：（90）09001094870

2001.09	10	470,000,000	4,700,000,000	283,792,955	2,837,932,670	Capitalization of earnings NT$280,029,350 Employee bonuses NT$34,000,000 CB conversion: NT$124,995,380	-	No：（90）09001369620
2001.11	10	470,000,000	4,700,000,000	287,242,245	2,872,422,450	CB conversion: NT$34,489,780	-	No：（90）09001414970
2002.01	10	470,000,000	4,700,000,000	287,970,127	2,879,701,270	CB conversion: NT$7,278,820	-	No：09101028620
2002.03	10	470,000,000	4,700,000,000	292,106,179	2,921,061,790	CB conversion: NT$41,360,520	-	No：09101091570
2002.05	10	470,000,000	4,700,000,000	292,126,587	2,921,265,870	CB conversion: NT$204,080	-	No：09101138780
2002.08	10	550,000,000	5,500,000,000	344,989,749	3,449,897,490	CB conversion: NT$200,142,040 Capitalization of earnings NT$285,593,580 Employee bonuses NT$42,896,000	-	No：09101339470
2002.10	10	550,000,000	5,500,000,000	347,892,171	3,478,921,710	CB conversion: NT$29,024,220	-	No：09101433810
2003.01	10	550,000,000	5,500,000,000	347,940,951	3,479,409,510	CB conversion: NT$ 487,800	-	No：09201019620
2004.10	10	550,000,000	5,500,000,000	370,738,598	3,707,385,980	Capitalization of earnings NT$173,970,470 Employee bonuses NT$54,006,000	-	No：09201288970
2004.04	10	550,000,000	5,500,000,000	387,516,315	3,875,163,150	CB conversion: 167,777,170	-	No：09301077730
2004.10	10	550,000,000	5,500,000,000	392,676,369	3,926,763,690	CB conversion: NT$ 1,041,610 Employee bonuses NT$50,558,930	-	No：09301187640
2005.01	10	550,000,000	5,500,000,000	397,311,347	3,973,113,470	CB conversion: NT$ 46,349,780	-	No：09401009700
2005.05	10	550,000,000	5,500,000,000	397,946,375	3,979,463,750	CB conversion: NT$6,350,280	-	No：09401087750
2005.09	10	550,000,000	5,500,000,000	411,269,302	4,112,693,020	Capitalization of earnings NT$73,589,270 Employee bonuses NT$59,640,000	-	No：09401189620
2005.10	10	550,000,000	5,500,000,000	413,743,746	4,137,437,460	CB conversion:NT$24,744,440	-	No：09401212030
2005.12	10	550,000,000	5,500,000,000	416,717,612	4,167,176,120	CB conversion:NT$29,738,660	-	No：09401246200

2006.08	10	660,000,000	6,600,000,000	441,307,884	4,413,078,840	CB conversion:NT$173,910 Capitalization of earnings NT$193,358,810 Employee bonuses NT$52,370,000	-	No：09501194080
2006.11	10	660,000,000	6,600,000,000	448,792,415	4,487,924,150	CB conversion: NT$ 74,845,310	-	No：09501265640
2007.03	10	660,000,000	6,600,000,000	448,864,578	4,488,645,780	CB conversion: NT$ 721,630	-	No：09601053530
2007.09	10	660,000,000	6,600,000,000	448,916,123	4,489,161,230	CB conversion: NT$ 515,450	-	No：09601233820
2007.12	10	660,000,000	6,600,000,000	465,243,433	4,652,434,330	CB conversion:NT$47,865,120 Capitalization of earnings NT$84,857,980 Employee bonuses NT$30,550,000	-	No：09601312360
2008.09	10	660,000,000	6,600,000,000	473,666,067	4,736,660,670	Capitalization of earnings NT$42,696,340 Employee bonuses NT$41,530,000	-	No：09701225500
2009.09	10	660,000,000	6,600,000,000	481,222,872	4,812,228,720	Capitalization of earnings NT$63,957,910 Employee bonuses NT$11,610,140	-	No：09801200020
2009.10	10	660,000,000	6,600,000,000	531,222,872	5,312,228,720	Capital injection NT$500,000,000	-	No：09801236000
2010.09	10	660,000,000	6,600,000,000	516,422,872	5,164,228,720	Cancellation of Treasury Stock NT$148,000,000	-	No：09901205520
2011.11	10	660,000,000	6,600,000,000	507,422,872	5,074,228,720	Cancellation of Treasury Stock NT$90,000,000	-	No：10001272200
2012.08	10	660,000,000	6,600,000,000	521,955,558	5,219,555,580	Capitalization of earnings NT$145,326,860	-	No：10101179940
2014.10	10	660,000,000	6,600,000,000	513,955,558	5,139,555,580	Cancellation of Treasury Stock NT$80,000,000	-	No：10301223850
2015.08	10	660,000,000	6,600,000,000	509,887,558	5,098,875,580	Cancellation of Treasury Stock NT$40,680,000	-	No：10401175160

As of 3/29/2026

Share Type	Authorized Capital				Remarks
	Issued Shares	Treasury Stock	Un-issued Shares	Total Shares	
Common Stock	509,887,558	0	240,112,442	750,000,000	-

3.1.2 List of Major Shareholders

As of 3/29/2026

Shareholder's Name	Shareholding	
	Shares	Percentage %
Tsai Wang Enterprise Co., Ltd.	50,954,000	9.99%
Li Hsiung Co., Ltd.	50,930,263	9.99%
Quality Master Co., Ltd.	50,669,774	9.94%
Up Master Investment Co., Ltd.	50,650,000	9.93%
X-Cel Relationship Management Co. Ltd.	50,391,389	9.88%
Tsai Ye Enterprise Co. Ltd.	50,071,000	9.82%
Judy Lee	45,547,294	8.93%
Manful Investment Co. Ltd.	33,101,083	6.49%
Tony Ho	31,795,550	6.24%
Chang Qiu Dun	17,504,714	3.43%

3.1.3 Dividend end Policy and Implementation Status

1. Dividend Policy

The landscape of the industry in which the Company engages business in contains various risks and uncertainties. As the life cycle of the Company's development enters the stable and mature phase and taking into account the Company's diversification, future operating plans, capital requirements and long-term financial planning, as well as considering shareholders' interests, our dividend policy shall be formulated in accordance with the provisions of the Company Act and other relevant regulatory requirements to ensure the soundness and balance of dividend distribution, the surplus available for distribution， not be less than 50% of the total shareholder dividends. Cash dividends may not be less than 10% of the total dividends However, in the event that the cash dividend is less than NT$0.1 per share, no cash dividends will be distributed. Instead the dividends will be distributed via stock dividends.

2. Proposed Distribution of Dividend

The Company’s financial statements for the fiscal year 2025 have been audited by independent auditors, with net profit after tax amounting to NT$115,200,598. After adjusting for remeasurements of defined benefit plans recognized in retained earnings of NT$9,399,486 and the cumulative gains of NT$74,031,564 arising from the disposal of equity instruments measured at fair value through other comprehensive income, which were directly transferred to retained earnings, and after adding unappropriated earnings at the beginning of the period of NT$9,023,718, as well as appropriating NT$(19,863,165) as legal reserve and NT$(18,867,001) as special reserve, the earnings available for distribution for the current period amounted to NT$168,925,200.

In accordance with the Company’s Articles of Incorporation and as resolved by the Board of Directors, total cash dividends to shareholders of NT$168,925,200 are to be distributed (with current-year earnings distributed on a priority basis). Based on 509,887,558 shares outstanding as of March 29, 2026 (the record date), the proposed cash dividend is NT$0.33129893 per share. Fractions of less than NT$1 shall be rounded down and disregarded.

Furthermore, pursuant to the Company Act and Article 31 of the Company’s Articles of Incorporation, the Company proposes to distribute NT$111,512,957 in cash to shareholders from the legal reserve. Based on the current number of outstanding shares eligible for dividend distribution (509,887,558 shares), the proposed cash distribution amounts to NT$0.21870107 per share. Any fractional amounts of less than NT$1 shall be rounded down, and the aggregate of such fractional amounts shall be recognized as other income of the Company.

3.1.4 The impact of the company's operating performance and earnings per share on stock dividends proposed in the shareholders' meeting

Not applicable, as the Company does not disclose financial guidance.

3.1.5 Employee, Director Remuneration

1. Pursuant of the Company Act and Article of Incorporation, no less than 1% of any profit made by the company in a year shall be allocated to employee and director remuneration, and the board of directors shall decide to distribute the remuneration as shares or cash, which can also be distributed to employees of affiliated companies that meet certain criteria. The Chairperson shall be authorized to establish the criteria.

   The company may, with a resolution of the board of directors, allocate no more than 2% of the aforesaid profit to remuneration of directors. Remuneration of employees and of directors shall be presented to the shareholders meeting. A sum shall be set aside in advance to pay down any outstanding cumulative losses before remuneration of employees and of directors can be allocated according to the above percentage.

2. The basis for estimating employee and directors' remuneration for the current period, the basis for calculating the number of shares for stock-based employee remuneration, and the accounting treatment in the event that the actual amounts distributed differ from the estimated amounts are as follows: the estimated employee and directors' remuneration for the current period is calculated based on annual profit (defined as profit before tax for the current year before the appropriation of directors' and employees' remuneration), with not less than 1% appropriated for employee remuneration and not more than 2% appropriated for directors' remuneration. If the actual amounts distributed differ from the estimated amounts, such differences are accounted for as changes in accounting estimates and are adjusted and recognized in the year in which the distribution is approved by resolution of the shareholders' meeting.

3. The Board of Directors approved remuneration information:

(1).The company's Remuneration of employees and of directors distribution in 2025, The Company's was approved by the Board of Directors on March 11 2026.This entailed remuneration of NT$551,568 for employee (of which NT$82,736 was for non-management employees) and NT$827,351 for directors bonuses in accordance with the provisions of the Articles of Association. The amount above is identical to that in 2025.

(2).The ratio of the proposed allotment of employee stock bonus amount and account for the ratio of current net income and employee remuneration: Not applicable.

4. The actual allocation of employee dividends and remuneration to directors in the previous year compared with the distribution plan originally approved by the Board: The company's Remuneration of employees and of directors distribution in 2024, The Company's was approved by the Board of Directors on March 12, 2025.This entailed remuneration of NT$3,037,850 for employee and NT$4,556,775 for directors bonuses in accordance with the provisions of the Articles of Association. The amount above is identical to that in 2024.

3.1.6 Buyback of Treasury Stock (treasury stock buyback has been expired)

As of 31/3/2026

Treasury stocks in Batches	14th Batch	15th Batch
Purpose of Buy-back	Transfer to employees	Transfer to employees
Timeframe of Buy-back	2019/4/29~2019/6/24	2019/8/5~2019/10/4
Price range	NTD 20.0~28.0	NTD 20.0~28.0
Class, quantity of shares bought back	9,271,000	5,035,000
Value in KNT$ of bought-back shares	205,255,772	107,999,819
Number of repurchases made as a percentage of the scheduled number of repurchases (%)	46.36%	50.35%
Shares sold/transferred	9,271,000	14,306,000
Accumulated number of company shares held	0	0
Percentage of total company shares held (%)	0%	0%

3.2 Issuance of Corporate Bonds：None.

3.3 Preferred Shares：None.

3.4 Issuance of Global Deposit Receipts：None.

3.5 Employee Stock Options and restrictions on employees' rights of new shares：None.

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

3.7 Financing Plans and Implementation：None.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

1. The main content of the company's current business operations

1. E605010 Computing Equipment Installation Construction
2. E801010 Building Maintenance and Upholstery
3. F101081 Wholesale of Seedling
4. F101100 Wholesale of Flowers
5. F101120 Wholesale of Aquarium Fishes
6. F101130 Wholesale of Vegetable and Fruits
7. F102020 Wholesale of Edible Oil
8. F102030 Wholesale of Tobacco Products and Alcoholic Beverages
9. F102040 Wholesale of Nonalcoholic Beverages
10. F102170 Wholesale of Food and Grocery
11. F103010 Wholesale of Animal Feeds
12. F104110 Wholesale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
13. F105050 Wholesale of Furniture, Bedding Kitchen Equipment and Fixtures
14. F106010 Wholesale of Ironware
15. F106020 Wholesale of Articles for Daily Use
16. F106030 Wholesale of Die
17. F106040 Wholesale of Water Containers
18. F106050 Wholesale of Pottery, Porcelain and Glassware
19. F107030 Wholesale of Cleaning Preparations
20. F107050 Wholesale of Manure
21. F108040 Wholesale of Cosmetics
22. F109070 Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
23. F110010 Wholesale of Clocks and Watches
24. F110020 Wholesale of Spectacles
25. F111090 Wholesale of Building Materials
26. F113010 Wholesale of Machinery
27. F113020 Wholesale of Household Appliance
28. F113030 Wholesale of Precision Instruments
29. F113050 Wholesale of Computing and Business Machinery Equipment
30. F113060 Wholesale of Metrological Instruments
31. F113070 Wholesale of Telecom Instruments
32. F113090 Wholesale of Traffic Signal Equipment and Materials
33. F114010 Wholesale of Automobiles
34. F114020 Wholesale of Motorcycles
35. F114030 Wholesale of Motor Vehicle Parts and Supplies
36. F114040 Wholesale of Bicycle Parts and Supplies
37. F115010 Wholesale of Jewelry and Precious Metals
38. F116010 Wholesale of Photographic Equipment
39. F118010 Wholesale of Computer Software
40. F119010 Wholesale of Electronic Materials
41. F199990 Other Wholesale Trade
42. F201010 Retail sale of Agricultural Products
43. F201020 Retail sale of Husbandry Products

44. F201061 Retail sale of Seedling
45. F201070 Retail sale of Flowers
46. F201090 Retail Sale of Aquarium Fishes
47. F202010 Retail sale of Animal Feeds
48. F203020 Retail Sale of Tobacco and Alcoholic Drinks
49. F204110 Retail sale of Cloths, Clothes, Shoes, Hat, Umbrella and Apparel, Clothing Accessories and Other Textile Products
50. F205040 Retail sale of Furniture, Bedding, Kitchen Equipment and Fixtures
51. F206010 Retail Sale of Ironware
52. F206020 Retail Sale of Articles for Daily Use
53. F207030 Retail Sale of Cleaning Preparations
54. F207050 Retail Sale of Manure
55. F208040 Retail Sale of Cosmetics
56. F209060 Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
57. F210010 Retail Sale of Watches and Clocks
58. F210020 Retail Sale of Spectacles
59. F211010 Retail Sale of Building Materials
60. F213010 Retail Sale of Household Appliance
61. F213030 Retail sale of Computing and Business Machinery Equipment
62. F213040 Retail Sale of Precision Instruments
63. F213050 Retail Sale of Metrological Instruments
64. F213080 Retail Sale of Other Machinery and Equipment
65. F214010 Retail Sale of Automobiles
66. F214030 Retail Sale of Motor Vehicle Parts and Supplies
67. F214040 Retail Sale of Bicycles and Parts
68. F215010 Retail Sale of Jewelry and Precious Spectacles Metals
69. F216010 Retail Sale of Photographic Equipment
70. F218010 Retail Sale of Computer Software
71. F299990 Retail Sale of Other Retail Trade Not Elsewhere Classified
72. F301020 Supermarkets
73. F399040 Retail Business Without Shop
74. F399010 Supermarkets
75. F401010 International Trade
76. F401071 Export and Import of Seedling
77. F501060 Restaurants
78. G801010 Warehousing and Storage
79. H701020 Industrial Factory Buildings Lease Construction and Development
80. H701010 Residence and Buildings Lease Construction and Development
81. H703090 Real Estate Commerce
82. H703100 Real Estate Rental and Leasing
83. I102010 Investment Consultancy
84. I103060 Management Consulting Services
85. I301010 Software Design Services
86. I301020 Data Processing Services
87. I301030 Digital Information Supply Services
88. I401010 General Advertising Services
89. I501010 Product Designing
90. I503010 Landscape and Interior Designing
91. IZ99990 Other Industry and Commerce Services Not Elsewhere Classified
92. J801030 Athletics and Recreational Sports Stadium

93. JE01010 Rental and Leasing Business
94. ZZ99999 Except the permitted business, the Company may engage in other businesses not prohibited or restricted by laws and regulations
95. A102060 Grain Commerce
96. F108031 Wholesale of Drugs, Medical Goods
97. F208031 Retail sale of Medical Equipment
98. C501060 Wooden Container Manufacturing
99. C805990 Other Plastic Products Manufacturing
100. C901010 Pottery and Ceramics Products Manufacturing
101. CA02050 Metal Valves Manufacturing
102. CA02060 Metal Containers Manufacturing
103. CB01010 Machinery and Equipment Manufacturing
104. CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing
105. CN01010 Furniture and Fixtures Manufacturing
106. CR01010 Fuel Gas Equipment, Materials and Parts Manufacturing
107. D301010 Water Supply
108. E502010 Fuel Pipe Construction
109. E599010 Pipe Lines Construction
110. E601010 Electric Appliance Construction
111. E601020 Electric Appliance Installation
112. E603130 Gas water heater Appliance Construction
113. E604010 Machinery Installation Construction
114. E801070 Kitchen and Bath Facilities Construction
115. F113990 Wholesale of Other Machinery and Equipment
116. F206040 Retail Sale of Water Containers

2. Percentage of total revenue of each product or service

(Unit：NTD thousands)

Year / Division	2024		2025	
	Amount	%	Amount	%
Principal Trading	19,772,901	53.7%	18,082,683	53.8%
Taiwan Retail	13,719,067	37.2%	12,204,933	36.3%
Others	3,340,081	9.1%	3,334,185	9.9%
Total	36,832,049	100.0%	33,621,801	100.0%

3. Company's current key business activities:

The Company’s trading business engages in the import and export of household products and the licensing of businesses, including DIY hand tools, hardware, ceiling fans, lighting fixtures and other electrical appliances, bathroom facilities, indoor/outdoor furniture, and other household items. Our retail businesses are engaged in similar products, in addition to the sales and marketing of mattresses and bedding as well as brand licensing of consumer brands. Affiliated businesses include design, which conducts product, packaging and industrial design; construction, which conducts marketplace and office building construction and investment promotions, as well as logistics and warehousing services in Taiwan, Asia, the U.S., and Europe.

4. New business activities under development:

(1) Effort-saving hand tools and related products: Hand tools remain a key product category for the Company and accounted for approximately 80% of total shipments in 2025. In addition

to providing comprehensive features for professional tools, effort-saving is also a major consideration for consumers. Based on principles of structural mechanics and leverage, the design of hand tools must take into account not only innovative appearance but also ergonomics in order to meet market demand.

(2) LED energy-saving lamps and related products:

A. With the advocacy for energy conservation in full force across the world, governments have incorporated relevant measures into legislations and policies to encourage investment this field by the private sector.

B. With the advocacy for energy conservation in full force across the world, governments ave incorporated relevant measures into legislations and policies to encourage investment this field by the private sector. Lamps and light fixtures are included in the Company's export product categories. In the Taiwan retail market, the Company cooperates Toshiba to develop ceiling LED lights and offers the TLW private label range of LED light bulbs.

(3) HOLA private label products:

Test Rite's private label products, including bedding, textiles and dining wares, have been well received in the market. Sales accounted for more than 36% of total HOLA sales as of the end of 2025.

4.1.2 Industry Overview

1. Current Status and Industry Development

The Company was founded in August 1978. During its earlier years, the Company focused on the export of hand tools and hardware. As the Company's client base expanded, the number of suppliers grew to more than 4,000, covering an increase in product offerings spanning DIY hand tools and hardware to ceiling fans, light fixtures and other electrical appliances, bathroom equipment, indoor/outdoor furniture and other household items. The Company also gradually expanded operations into Americas (including the United States and Canada), Australia, Europe (including Germany and the United Kingdom), Hong Kong, China, Southeast Asia (including Thailand, Singapore, Indonesia, and Vietnam), and South Asia (including India). In 1989, the Company targeted Taiwan's domestic retail market and established a domestic sales/import team, servicing the customer segment that frequents major discount stores. By leveraging the Company's sourcing capabilities, the domestic sales/import team introduced 1,000+ products previously sourced exclusively for the export market to the consumers in Taiwan. Six primary categories by distinct product lines were established, including seasonal merchandise, outdoors, hardware and automotive, housing supplies, stationery, furniture and interior products, with electronics and lighting products as an add-on. Furthermore, in recent years we have also gradually strengthened sales of licenced products.

In 1998 Test Rite entered into a joint venture with UK-based Kingfisher Group to introduce DIY retailer, B&Q, to Taiwan. Subsequently, the Company developed its own retail channel, HOLA, in Taiwan. In December 2004, the Company entered the China retail market with the first HOLA China store opening in Shanghai. In 2008, we bought back 50% of the joint ownership from Kingfisher Group, and completed our four-way retail channel strategy by 2010 (Test Rite, HOLA, HOLA CASA, and FREER).

In 2013, we established HOLA Petite, a brand that personified the French word "petite" and embodies the concept of "delicately beautiful." The brand focuses on three lifestyle essentials:
comfortable bedding, rejuvenating baths, and enriching dining experiences. These are manifested in a tasteful real-life interior design space reminiscent of a French home environment that appeals to one's sense of touch, sight, smell, sound and taste. In 2015, Test Rite became a franchisee of renowned American home décor store, Crate & Barrel. The

introduction of this classic American brand contributed to Test Rite's leading market share in the Taiwan home décor market in 2018, we launched new retail brand, hoi! good living. In 2019, in an effort to mitigate losses, the decision was made to withdraw HOLA China and start using the second warehouse in North America to enhance our services for our customers. In 2020, the community stores were established. With the position of "a good helper at home, your good neighbor", it can provide customers with goods and services at any time. In 2021, the TLW channel cracked the outlying islands firstly. In 2022, we increased procurement resources and expanded investment in Vietnam. In 2023, we continued to strengthen the supply chain in Southeast Asia and expanded its investment in the Indian procurement team. In 2024, Taiwan's retail business underwent a spinoff, resulting in TLW , HOLA, hoi home, and Test-Rite brand agency business becoming independent subsidiaries. In 2025, the Group completed its first subsidiary spin-off and public offering. Corporation (TLW Co., Ltd.) has been successfully listed on the Emerging Stock Board (ESB).

Below we discuss the industry dynamics for our trading, agency, and retail businesses:

(1) Market Conditions for Our Trading Business

Since the early import-substitution and export expansion policies of the 1960s to the current move towards trade liberalization and internationalization, becoming a key driving force behind Taiwan's economic development. With China's role as a major global manufacturing center, trade with the mainland has picked up rapidly. In 2025 Taiwan's exports to China accounted for around 32% of its total exports, while corresponding imports was about 20% of total imports.

Test Rite Group actively expanded in China. In 2005, we set up a trading subsidiary in Shanghai to penetrate the Chinese market and solidify relations with suppliers in order to offer products with a competitive advantage to our global retail clientele. In 2006, an office was set up in Shenzhen to explore the Chu Chiang Delta and connect with the broad supply chain network in southern China.

We are engaged in three primary sales models, namely: trading, agency, and imports. Trading accounts for the majority of sales, with the bulk of the buyers located in the U.S. and Europe. We have strong relationships with our customer base and offer customized services. For example, we forecast sales quantities through the analysis of historical data, or we can take charge of product planning, décor and design during major sales seasons throughout the year. At the same time, we have in place a data platform to connect to the inventory management systems of the buyers to instantly store and access the required information. Furthermore, we also handle after-sales services, such as returns and answering phone calls for our clients. Through providing the most value-added services, we have become the trading partner of choice. Meanwhile, in the agency sales model, Test Rite provides an indispensable outsourcing service. Whereas previously many large-scale clients intended to set up their own sourcing offices to source supplies in Asia, Test Rite's proven sourcing capability has won over many buyers who now simply outsource this function.

Emerging markets in Asia are growing rapidly; notably, domestic demand in China is expanding fast. While in the past Asia has been the factory producing goods sold to the U.S. and European markets, the trend is reversing to an increasing extent. Having cultivated markets in the west over the years, Test Rite is well placed to take advantage of this trend by collaborating with well-known global brands as they seek to enter and expand into Asian markets. Through the licensing of these brands, Test Rite has an additional opportunity for growth in providing consumers in Taiwan with the convenient access to world-class quality products.

Exports and Imports by Year — Taiwan

(Unit：USD _million;%)

Year	Total exports	Export Growth rate (%)	Total imports	Import Growth rate (%)	Total amount of trade	Total trade growth rate %
2015	285,344	-10.9%	237,219	-15.8%	522,563	-13.2%
2016	280,321	-1.8%	230,568	-2.8%	510,889	-2.2%
2017	317,249	13.2%	259,266	12.4%	576,515	12.8%
2018	335,909	5.8%	286,333	10.4%	622,241	7.9%
2019	329,194	-2.0%	285,694	-0.2%	614,888	-1.2%
2020	318,898	-2.7%	285,117	-0.2%	631,028	-2.6%
2021	446,378	40.0%	381,494	33.8%	827,873	31.2%
2022	479,442	7.4%	428,009	12.2%	907,451	9.7%
2023	432,432	-9.8%	351,441	-17.8%	783,873	-13.6%
2024	474,995	9.8%	394,365	12.2%	869,361	10.9%
2025	639,982	34.7%	483,543	22.6%	1,123,525	29.2%

Source：Department of Statistics, Ministry of Finance, R.O.C.

Several factors can complicate the overall operations of an export-import business relative to other industries. His includes exchange rate fluctuations that impact profit margins and barriers to trade, such as government policies, trade protectionism, customs, and regional alliances that create challenging hurdles for expanding into various overseas markets.

Regional economic integration has currently become a cornerstone in international trade and economic development. With the formation of the World Trade Organization (WTO) and later the Association of Southeast Asian nations (ASEAN), combined with increased volume of cross-strait trade, the trading sector in Taiwan is also facing new challenges. In the following we present our view of Taiwan's current trade development from the viewpoints of trade concentration, development of triangular trade, increasing scale and internationalization of customers and trends toward multi-functional trading companies.

A. Decreasing International Trading in Taiwan

According to the Department of Statistics, Ministry of Finance, R.O.C. Data from the Ministry of Economic ,Affairs show that total exports to China (including Hong Kong) amounted to USD170.4 billion in 2025 a 13.2% year-on-year increase. Total imports were USD 93.1 billion (inecreased by 15.5% from a year ago). Exports from the U.S. increased by 78%, Imports added by 3.3%. The delay signing of the Cross-Strait Service Trade Agreement and the lack of TPP and RCEP membership pose challenges to Taiwan’s position in international trading going forward.

Regional trade concentration indicator

(Unit：USD_million;%)

Year	Total amount of trade	Export value	Import value	Taiwan to China export amount	China to Taiwan import amount	Taiwan - Top three countries with highest degrees of export concentration	Taiwan - Top three countries with highest degrees of import concentration
2015	522,563	285,344	237,219	112,540	46,734	69.6%	48.4%
2016	510,889	280,321	230,568	112,277	45,321	70.3%	49.7%
2017	576,515	317,249	259,266	130,213	51,555	71.2%	47.7%
2018	622,241	335,909	286,333	96,756	53,783	70.3%	46.7%
2019	614,888	329,194	285,694	132,148	58,447	70.4%	44.9%
2020	631,028	318,898	285,117	102,449	63,576	65.0%	43.1%
2021	827,873	446,378	381,494	188,877	84,179	76.0%	52.0%
2022	907,451	479,442	428,009	185,895	85,492	75.8%	52.2%
2023	783,873	432,432	351,441	152,248	95,733	74.2%	51.3%

Year	Total amount of trade	Export value	Import value	Taiwan to China export amount	China to Taiwan import amount	Taiwan - Top three countries with highest degrees of export concentration	Taiwan - Top three countries with highest degrees of import concentration
2024	869,361	474,995	394,365	150,611	80,626	76.9%	50.2%
2025	1,123,525	639,982	483,543	170,462,	93,134	76.1 %	50.2%

Source：Department of Statistics, Ministry of Finance, R.O.C.

In 2025, the top three destinations for Taiwan's exports were: China/Hong Kong, New Southbound countries, and U.S. The top three sources for Taiwan’s imports were: China/Hong Kong, New Southbound countries and South Korea.

B. Increased Share of Triangular Trade

The majority of Taiwanese trading companies are small to medium in size and have performed well historically, given their wealth of experience in foreign trade, knowledge and flexibility in operations, and the relative political stability of Taiwan in the past several decades relative to Southeast Asian countries and China. In recent years, labor-intensive industries have gradually shifted their operational base out of Taiwan. Likely destinations include China and other ASEAN nations, which offer tax benefits and skilled, yet low-cost labor. This has shifted the fundamentals of the trading sector as companies begin to source from suppliers outside of Taiwan, resulting in an increase in triangular trade. In fact, trading companies must rely on triangular trade to thrive and to seek cheaper resources from overseas markets in order to fill the void left by the loss of price competitiveness as the manufacturing base relocated to China and the ASEAN region.

C. Impact on Taiwan's Trading Sector Due to the Growing Size of Manufacturers, Trading Companies and Retailers

Following decades of industrial development both at home and abroad, manufacturers have benefited from significant improvements in production scale. Given the increase in scale, large manufacturers have benefited from more efficient production resulting from lower production and labor costs, while improving their relationships with key customers. Larger trading companies, too, are able to leverage the development of global trade and benefit from scalable logistics and procurement capabilities. However, this scenario has a negative effect on small –and-medium sized trading companies. They are forced to accept lower margins with higher complexity for single orders with smaller quantities and higher SKUs compared to more mainstream, scalable and repeatable orders.

The rapid development of sales channels has also contributed to the growth of large multinational retail chains. These large retailers have gained not only dominant pricing power but their transnational procurement activities have also contributed to domestic traders developing multinational logistics and procurement services, thereby accelerating the speed of the transformation of the trading business where smaller players are gradually marginalized.

D. Trading Firms Capable of Multiple Functions — After-sales Services, Warehousing and Logistics

As global retailers continue to increase in size, they are able to gain bargaining leverage on their suppliers, which include manufacturers, distributors and trading companies. Consequently, these global retailers continue to demand better pricing, the newest and exclusive designs, and other services including financing and logistics.

As such, role player traditional companies have evolved from offering simple buy and sell functions to corporations with multi-national and multi-functional teams adept at providing services ranging from product marketing, warehouse logistics, quality assurance and control, and after-sales customer service.

Taiwan's trade industry is expected to benefit from the signing of the Economic Cooperation Framework Agreement (ECFA) with China. As economic activities increase, Taiwanese trading companies can benefit from their experience in international trade to strengthen communications between multi-national retailers (customers) and various parties along the supply chain.

Trading companies are also well positioned to benefit from developing additional brand licensing opportunities to tap the fast-growing demand of Chinese consumers. In light of this, we have already partnered with various global houseware/product brands for Taiwan and the China markets.

(2) Principal Trading

Output from trading business reached NT$18.1 billion in 2025, which was 8.6 % lower decrease from the previous year, and accounted for 70% of total consolidated trade output. Our major products include hand tools (hand and gardening tools, accounting for 87% of traditional trading revenue) and household items (sanitary equipment, automotive supplies, fireplace equipment and supplies, furniture, Christmas and seasonal products, and barbecue utensils, accounting for 13% of traditional trading revenue). This makes Test Rite the largest professional hand tools and household products trading company in Taiwan. Below we provide further analysis of the Company's key product offerings.

The regions with the highest demand for hand tools and household products are the developed countries, with North America and Europe representing nearly 97% of the exports market for hand tools. Typically, hand tools have been relatively stable and mature in terms of their types and forms, with a relatively lower requirement for innovation. In recent years, multifunctional tools have enjoyed tremendous growth. In order to sustain market demand, the trend is for hand tools and household products to include multiple functions combined with unique design and made with differentiated materials, colors and shapes. In several instances, strong demand has been supported by creative marketing campaigns aligned/partnered with globally appealing pop culture.

Apart from certain manufacturers of brand-name bathroom and sanitary equipment and automotive repair supplies, most manufacturers remain relatively smaller in size. They do not have the scale or resources to brand their products nor the advantages of retail operators with sales channels to retail customers. In terms of manufacturers of hand tools, Japanese and German companies hold dominant technologies, though Taiwan also enjoys a high degree of competitiveness at the global level. However, China, India, and countries in Southeast Asia and Eastern Europe have flourished in the hand tools industry in recent years, as they have introduced low- to medium priced products.

The exports value of furniture, bedding and lighting equipment has declined gradually over the years due to fierce competition in the market. However, the industry began to see a recovery in demand in 2010, as the U.S. economy began to gradually recover, aided by an improving property market and declining unemployment rate.

In January 2015, the Company bought back ownership of various branch offices in Germany. Sales activities in these branches include trading, warehousing, professional delivery of barbecue grills, containers, and outdoor furniture. Looking ahead, we will integrate our resources further to achieve synergies, solidify our operational presence in Europe, and offer superior services to clients in the region. These products are all relatively mature, and the market remains significant.

With the primary export destinations in North America, Europe, and Asia in mind, we will continue to maintain market shares, search for growth drivers, and leverage opportunities to expand with improving overall market conditions.

As the Ravaging Pandemic of COVID-19 in 2020, the global epidemic prevention mechanisms set up continuously, there are customers’ strong demand of related prevention products in the U.S. and Europe. Test-Rite has set up a special team in charge of epidemic prevention products and used our powerful global sourcing capabilities to respond to the strong demand from overseas customers. In response to the U.S. reciprocal tariff policy in 2025, Test Rite Trading actively expanded its U.S. trading operations and acquired a stake in Hampton Products, a U.S.-based home improvement products distributor and brand owner, to strengthen local supply capabilities and enhance market penetration.

(3) Agency Business

The agency business model is one based on commissions, where Test Rite acts as the sourcing agent for major retailers in the U.S. and Europe. Services provided include product sourcing, quality assurance and control support, and logistics/warehousing depending on the customer's needs. We leverage our core competencies developed through the success of our principal business for the benefit of agency activities.

In recent years, our agency business has proven to be one of the fastest-growing areas, a trend we expect to continue. On the back of this, we will continue to commit resources to develop sales and expand the number of clients as a way to maximize growth and profit potential. In 2025, our agency business delivered annual sales of NT$8.3 billion, representing a 15.2% increase from the previous year, and accounted for approximately 32% of consolidated trading shipments. Commission income reached NT$2.5million, accounting for 1.4% of total trading revenues.

(4) Storefront Retail Merchandise

The global retail business has transformed significantly in recent years, TLW and HOLA have maintained their leading positions in the DIY and home décor industries in Taiwan. Except the brick-and mortar stores, Test-Rite continues to integrate our retail channel's resources and requirement to online and offline channel, develop the omnichannel and elevate our digital skills. TLW and HOLA remain its leading position in DIY and home décor industry in Taiwan. However, Test-Rite very carefully tackles the changing behavior of customers. The proposed new business model of retail aims to break the boundary between online and offline. Through the base of offline membership , customers can now easily extend the selections beyond in-store products, hence breaking the limits of displaying and inventory in physical stores. By guiding the massive offline memberships to online, we hope to fully eliminate the boundary in terms of product, payments, membership and marketing. In 2018, our new brand hoi! was launched with the aim of appealing to a younger generation of shoppers by providing high-quality and value-for-money products. Technology has been deployed in creating a digital shopping experience and synergy that promotes the new retail concept as a means to transform the home products industry. We have also reinforced experiential marketing in our physical stores and replicated the irreplaceable value of in-person service by extending our reach into customers' homes through our TLW Home Improvement Service Unit; this business unit turned a profit in 2016, the first since its inception in 2010. In 2025, Test Rite Retail's "Community Concierge Program" continued to grow steadily. Concierge staffing was expanded in line with planned targets, while both the scope and depth of services were simultaneously enhanced. This initiative strengthened day-to-day interactions with consumers and generated a new wave of service-driven growth momentum for the retail business.

Our Taiwan retail businesses, including TLW (DIY) and Hola, recorded revenue of NT$12.2 billion. Affected by a sluggish property market, an uncertain economic outlook, and strong domestic and outbound travel demand, consumers adopted a more cautious approach to spending on home replacement and home furnishing products. As a result, full-year revenue declined by 11% year-on-year. In 2025, the property market continued to be impacted by the Central Bank's ongoing credit tightening measures and an elevated housing price base. Tighter capital management suppressed home-buying demand, leading to reduced transaction volumes and a moderate market adjustment. Nevertheless, from a structural perspective, factors such as population aging, a high proportion of aging housing stock, and an increase in inherited residential properties continued to drive demand for home repair and renovation. These trends provided steady underlying support for the home improvement and renovation-related industries. The slow real-estate market lowered the consumers' demand for household goods. Affected by a slowdown in the real estate market in Taiwan, consumer demand for replacement of household items were subdued. According to government data, the wholesale of household items and building materials declined 2.35% and grew 1.52%, respectively, in 2025.

Year	Household item sales (NTD 100 million)	Household item growth rate (%)	Building materials sales (NTD 100 million)	Building materials growth rate (%)
2015	3,170	-0.35	527	-1.66
2016	3,016	-4.85	513	-2.78
2017	2,892	-4.13	489	4.63
2018	2,986	3.25	483	-1.22
2019	2,977	-0.30	455	-5.8
2020	1,795	-8.60	470	4.23
2021	1,824	1.60	469	-0.20
2022	1,970	8.00	479	2.13
2023	2,066	4.87	436	-0.09
2024	2,343	13.4	263	-36.7
2025	2,288	-2.35	267	1.52

Test Rite was the pioneer in DIY solutions in Taiwan. In line with contemporary the new retail philosophy, our concept stores emphasize experiential shopping – i.e., allow customers to have in-store experiences before making a purchasing. Specialized personnel in each product section are on hand to offer professional advice for customers. As for the products themselves, Test Rite offers over 30,000 selections, allowing each customer to find all the tools and materials necessary for home fixture, decoration, and furnishing. In addition, there is a "fixture service center" in every store dedicated to meet customization requirements and to process individualized at-home renovation projects for the customer.

HOLA offers a wide variety of home décor at the forefront of living and home styles that are in sync with global trends. HOLA offers a comprehensive lineup of household products with the most exquisite and refined living style aesthetics. These include soft and comfortable bedding, fashionable home décor fabrics, aromatic bathroom and beauty products, and polished, tasteful dining and tea utensils. Equipped with these, customers are able to fill every living space with rich and lively expressions of style, creating happy, beautiful and moving moments at home.

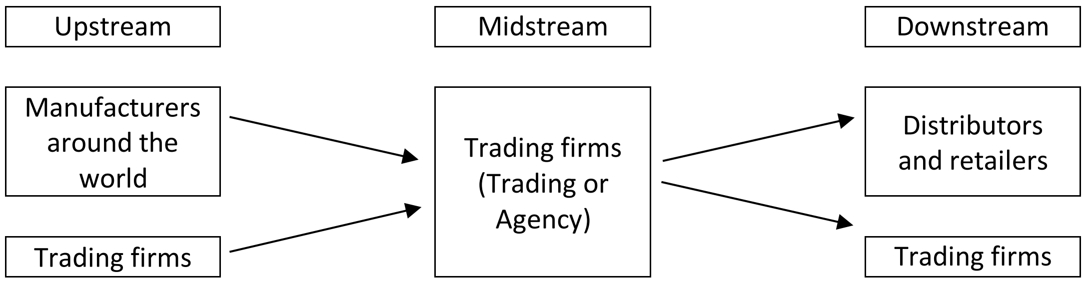
HOLA has in-store home décor consultants offering free advice on space and color utilization and décor arrangements to customers. Furthermore, depending on individual needs, customers can ask for custom-made services using our home décor fabrics (special orders for window curtains and various other home décor fabrics), and can arrange for various specialized services, such as home-visit measurements, flexible construction periods, professional workers and installations.

Test Rite's licensed furniture, home décor and other lifestyle products include brands such Cheers, Frette, WEDGWOOD, among others, and further enhance the lineup of licensed brands. Holding true to our corporate vision of "All Matters at Home Matter to Test Rite for Life," we leverage opportunities to expand our retail channels and commit to developing and licensing diversified products.

2. Industry's upstream, Midstream and Downstream Relationships

(1) Trading Industry's Upstream, Midstream and Downstream Relationships

The main function of the trading industry is to broker trades and bridge gaps between supply and demand. The upstream and downstream structures vary depending on the types of products traded, Below is an example of the structure for trading companies that sources finished goods and sells them to distributors and/or retailers:



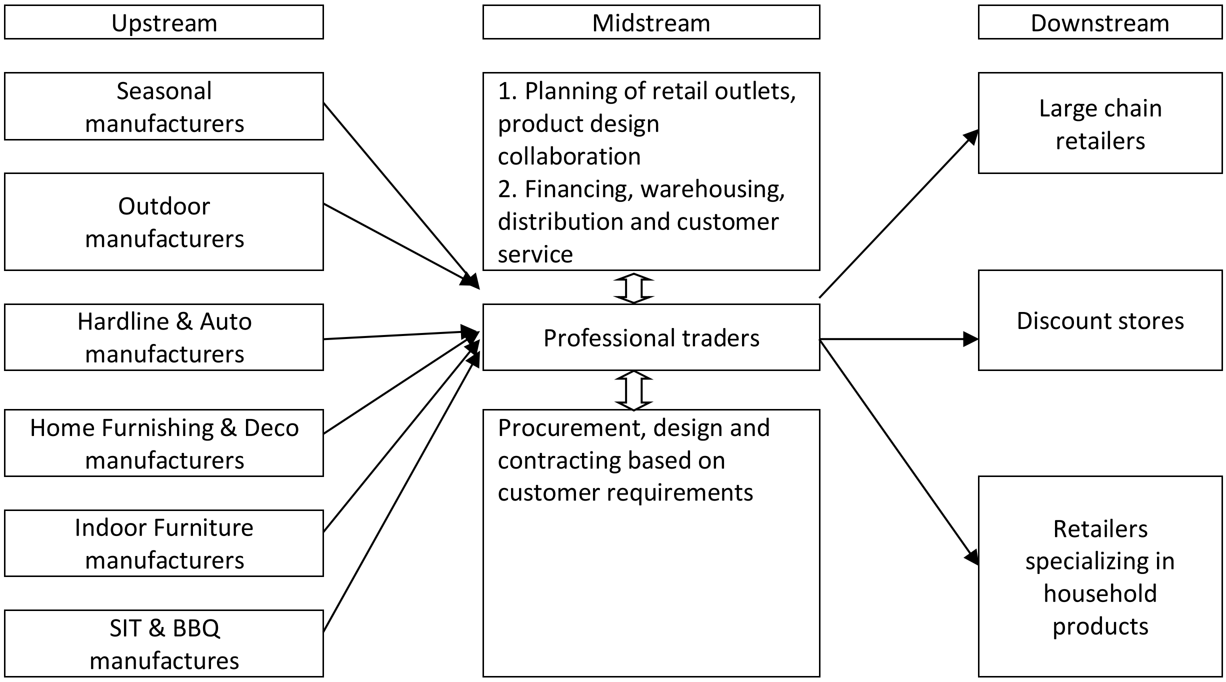
The so-called 'barriers to information access' is mainly geographic isolation and regulatory restrictions. In addition, there is the requirement from upstream and downstream vendors for working capital, as well advantages to either buyers or sellers because of product characteristics or structure of the sales channel. This situation requires trading companies to bridge the gap between potential sellers and potential buyers of products.

Overall, today's trading companies play an increasingly important role in global economic activities and have deepening relationships with both upstream and downstream vendors.

(2) Upstream, Midstream and Downstream Relationships for Hand Tool and Household Product Industries

The upstream suppliers of trading companies in hand tools and household products are the manufacturers, and the corresponding downstream customers are various channel distributors and retailers. Trading companies receive purchase orders from downstream customers through product marketing and via exhibitions. Trading companies then place orders with their upstream manufacturers and are responsible for arranging transportation, delivery, distribution, and warehousing services.

Most often, upstream manufacturers of hand tools and household products are often smaller operations who aim to sell products quickly with the intermediary services provided by trading companies. As for large downstream retailers, the benefit of placing orders with trading companies with sufficient economies of scale translates into a more streamlined ordering process. Larger trading companies can provide services beyond just order fulfillment encompass total Solution services – this includes packaging, logistics, warehousing, and potentially financing services. The relationships of traders with their upstream, midstream and downstream partners are depicted in the following diagram:



In order to provide customers with comprehensive services and identify new sourcing opportunities in local markets, trading companies often open branch offices in both domestic and overseas markets. Trading companies also provide OEM or ODM products for downstream customers and some trading companies have created or acquired own brands to add to their distribution channels along with the existing products they already source for global retail customers. In addition, trading companies can also increase their on size/scalability by acquiring niche players to bolster their product portfolio. An example of this is Test Rite's acquisition in 2013 of International Art, a Christmas and seasonal products specialist based in Shenzhen, China. In 2015, the Company acquired a Germany-based barbeque brand. In 2025, the company acquired Hampton Products, a U.S.-based home furnishings company, further strengthening its presence in the North American market. We will continue to explore additional M&A opportunities going forward.

3. Developing Trends

With economies becoming increasingly interdependent, combine with the rise of large-scale discount chains~~,~~ and hypermarkets in the retail industry, the trading industry will likely face increasingly competitive in the future. Trading companies will meet these challenges only by seeking to provide more value-added and efficient services, expanding the size of its own operations and enhancing product and service offerings, Future trends in the trading industry include the following:

(1) Specialization in Products and Customer Services

With intensified competition, the role of trading companies must evolve beyond order fulfillment to include sourcing and re-selling. Many larger trading companies have already evolved to become full-service suppliers by providing product consultation and after-sales services as well as logistics and distribution functions. Since these services often involve specialized products, trading companies have also become more focused in specific product categories with complete product lines in order to fulfill their areas of specialization and competency.

(2) New Markets and Competitors Post-WTO Accession Signing of ECFA, FTA between China, Japan and South Korea

Global trade liberalization remains a key driving force behind the competitive landscape for trading companies. Following Taiwan's accession to the WTO as a full member, trade practices deemed unfair or damaging to Taiwanese businesses can be resolved through the

WTO. This enables all parties involved to have effective access to international trade regulations and trends in a more regulated environment, thereby mitigating regulatory risk of trading and investing activities. agreements with other countries to mitigate this impact and further eliminations trade barriers. This has had an impact on trading companies on an on-going basis, including increased pressure from overseas competitors, threats from expansion form emerging markets, and increasingly transparent information on competitors and suppliers in other markets.

(3) Applications to Accommodate E-Commerce

The launch of our TR Plus website, which combines TLW and HOLA's online assets, in December 2017 continues to improve the overall user experience in browsing, buying, and interactivity. As a one-of-a-kind, one-stop online platform in Taiwan for all things related to the home, we will continue to expand our "hardline" products as well as develop "softline" offerings such as partial renovations and house-cleaning services. In addition, we embrace the new retail concept, leading to the consolidation of resources from online, offline and logistics, including the integration of big data, physical stores.After the spinoff of the retail business in 2025, the e-commerce division will develop its own platform and establish strategic alliances with other home-related online shopping platforms or malls, leveraging the unique characteristics of its products.

The sales results for our e-commerce retail business in 2025 were:

- TLW (https://www.trplus.com.tw/TLW) – annual sales revenue of NT$640million, accounting for 7% of total revenue.
- HOLA Home (https://www.Hola.com.tw/) – annual sales revenue of NT$195million, accounting for 8% of total revenue.

(4) Capabilities of Manufacturers

With the liberalization of global trade, distributors and retailers have undergone significant changes in terms of their business structures. They have evolved from traditionally small, regionally based or brick-and-mortal sales points in the past, to larger companies that have gained stable economies of scale and enjoy significant operating leverage while becoming multi-national or global in presence.

Under these market conditions, smaller manufacturers can work with larger trading companies to become partners of trading companies' network of suppliers. This enables smaller manufacturers to leverage the service platform established by the trading companies and at the same time minimize the financial pressure from more stringent payment terms demanded by the larger, global retailers. Smaller manufacturers can also leverage trading companies' logistics capabilities and services or even act as representatives for functions such as product sales, warehousing and distribution.

4. Competition Status

Currently there are no competitors of comparable size in Taiwan to Test-Rite. However, there are many small and medium-sized trading companies in the North American and European markets operating at a much smaller scale than Test Rite in terms of business operation Test Rite's size enables it to widen the gap versus smaller operators given its relative scale, and portfolio of add-on services such as QA/QC, logistics, and warehousing capabilities.

4.1.3 Research and Development：

Not applicable, as the Company is engaged in the trading industry and is not involved in R&D other than product design.

4.1.4 Long-term and Short-term Development：

1. Operational Guidelines

(1).Steady Growth of Trading, the Company's Primary Business

A. Our approach is to capitalize on our accumulated experience and resources garnered over the years in services such as product design, packaging design, logistics, and warehousing. Our trading business will continue to be nurtured with key accounts. We will also develop new business services and products for multi-national retail operators with comprehensive solutions for cross-border procurement. In addition, we will also be actively developing brand distribution rights for the domestic Taiwan market. Moreover, we will continue to expand partnerships in procurement agency services with existing customers. we will continue to cultivate additional opportunities to grow our agency business.

B. We continue to expand our procurement team in Southeast Asia to develop new regional procurement sources in support of improving production and marketing cost efficiency. Furthermore, we have set a subsidiary business to provide customers access to product quality assurance and quality control services. We have modularized the trading supply chain to provide customized trading services, thereby expanding our service capacity.

(2).Maintaining Growth Our Retail Business

A. Taiwan retail's store expansion is for the community channel. In addition, Test-Rite continued to remodel the hypermarkets to strengthen the irreplaceability of physical stores. At the same time, we will keep developing private label and unique products to solidify our leading position in the market. Starting in Q3 2019, our TLW channel further reinforced its engagement with local communities through the introduction of small-format stores in providing residents with access to high-quality home goods and services. We remain poised to fulfill the full potential of all our retail channels.

B. Taiwan's consumer market is a relatively more mature market, but it is a market where more and more consumers are looking to make purchases to improve their standard of living .Our retail channel continues to provide a comprehensive service home consumption experience through different service types such as sales, design, and decoration. The value of the retail channel is expected to further increase. In addition, the retail channel will continue to develop new communities, provide labor services, close to consumer needs, and develop more diverse innovative services.

(3).Group Integration

The Group continues with its integration effort. Trading business will look to become distribution agent for global brands in both Taiwan and China.

2. Important Marketing and Development Strategies

(1).Product Marketing:

A. Strengthen marketing and promotional capabilities on the trading side; continue to nurture our relationships with key customers; take advantage of our existing ISO-90001 certification and specialty in hardline trading product development and packaging; acquire new customers and new markets.

B. Increase sales and profits by leveraging efficient cross-departmental functions to provide consistent service, on-time delivery, and high-quality products, This builds on efforts to retain customer loyalty and to entrench ourselves as a trusted and reliable supplier. Additionally, to meet the needs of retail customers operating in multiple consumer markets, we work with the marketing/promotional strategies of our customers to offer additional logistics services that are tailored their needs.

C. Enhancing our presence in Taiwan by establishing additional stores, we provide a tight service network aimed at domestic and overseas customers, thus enabling us to enter new markets and to collect information on market supply and demand as well as on products.

D. On the retail side, the company focuses on experiential marketing and digital marketing.

(2).Product Development:

A. Continue to develop hardware, hand tools and household products, thereby reinforce our reinforcing as a trading company specializing in hardline and house ware products. Product innovations to encompass new design concepts, ergonomic benefits, multi-unction/ specialized functional capabilities, in order to meet fast-changing consumer demands.

B. Taking advantage of our specialty in hardline trading, we intend to explore possibilities of entering relevant product domains and expand our product lines to realize synergies when

C. Both TLW and HOLA are actively developing private label products to extend their product ranges. The main product categories cover bedding, dining wares, storage to cook wares.

4.2 Market and Sales Overview

4.2.1 Market Analysis

1. Sales (Service) Region

(Unit：NTD thousands)

Division \ Year	2024		2025	
	Amount	%	Amount	%
Asia	17,191,256	46.6%	15,644,595	46.5%
America	18,763,547	51%	17,119,302	50.9%
Europe	708,882	1.9%	817,032	2.4%
Australia and Others	168,364	0.5%	40,872	0.1%
Total	36,832,049	100%	33,621,801	100.0%

A. Export Markets

According to the latest GDP report released by the U.S. Department of Commerce, the full-year growth rate is 2.1 % in 2025 which is also better than expected. The main reasons are the solid job market and rising wages that also create strong consumer spending. Our sales to America that constituted 51% of total trading consolidated revenue. Our sales to Europe was 2%. Domestic consumption in Asia has slightly decreased. Test Rite's 11 sales locations span over 8 countries globally, and distribution centers have been established in Taiwan, Germany, and the United States. Moreover, the US distribution center offers warehousing, and delivery and management services for clients in the trading sector. With the trading arm of Test Rite being present in every corner of the world, the Company will be able to take the initiative to provide comprehensive services to customers in the retail sector and benefit from the growing markets. Construction began on a second warehouse in the U.S. east coast, already to open in 2020 and Provide the service to meet customers' requirements and expand related businesses.

At present, hardware and tools, interior design and fixtures, and seasonal merchandise account for most of the Company's exports. The Company will actively engage in development a more comprehensive series of products and product mix, which will enable us to compete more effectively in the markets and to diversify the risk of having only a single product line.

B. Domestic Market

As of the end 2025, Test Rite Group operated 28 TLW (DIY) stores, 37 small TLW stores, 23 HOLA stores, in Taiwan respectively. Our strategy of operating in the "light renovation" market and cultivating market share in communities with our "Easy to Buy for Home Renovation" and small- and medium-sized DIY retail services, we now offer more comprehensive products and services for customers' home renovation and furnishing needs.

2. Market Share
   A. Hand tools: Test Rite's subsidiary has shown steady growth in sales income, which is expected to grow in line with the expansion of the overall brand.
   B. Home appliances: At present, no statistical data is available for this segment given the highly-varied and diverse nature of these products.

3. Future Supply, Demand and Market Growth

Housing and autos have shown strong market demand in North America. Growth in Europe has been steady while growth in the rest of the world been moderate.

4. Competitive Niche

A.Steady and continuing growth of the Company's primary business Trading

We continue to expand our operations with through five principal strategies: new products, customer development, product design, brand licensing, and the development of regional markets. With the expansion of our business scope that includes the purchasing agency business, we have also added several new agency clients.

B.Product innovation contributing to our sales advantages and added value

Competition in the market is becoming more intense. As such, the Company increasingly attaches greater important on product design and R&D. In addition to collaborating with manufacturers to produce product packaging and exteriors that meet our customers' requirements, we have also solicited the help of a dedicated industrial design team to create unique products for the Company’s products portfolio.

C.Transforming trading experience and branching out into retail outlet operations

Most our current customers are the large retailer. With accumulated more than several years of practical experience in procurement for retailers which gain in-depth understanding of retailer’s business model. Therefore, we involve in the retail industry and recovers the result of retail business gradually.

D.The Company's trading operations provided valuable insights into how the retail industry is evolving globally. We then leveraged this experience to at a retail business level, resulting in our building of a leading DIY and home furnishing retail chains in Taiwan~~.~~ We expect to continue capitalizing on synergies between our trading and retail businesses going forward.

5. Favorable and unfavorable factors for the Group's outlook and response measures

Favorable Factors**:**

A.The Company has a sound financial structure, access to working capital and a comprehensive global procurement and sales network. This enables us to readily take advantage of market information and customer trends and gain access to products with a sufficient and stable supply as well as quality that is controlled under stringent conditions. We also have strong marketing and procurement teams which are essential in giving us a competitive edge in international markets.

B. Focusing on products, our procurement network extends its reach to geographically diverse suppliers throughout the world. With a solid foundation of business operation, we are able to provide comprehensive services to our customers, which are among the world's leading retail enterprises. Our customers' growth will drive our growth.

C.An increasing number of retailers are engaging procurement agents to conduct procurement on their behalf. The Company is also actively pursuing the expansion of our agency operations to tap into a major growth driver of revenue.

D.Our DIY business is growing at a steady pace. HOLA Taiwan’s private label products are gaining traction with consumers and already accounts (including that of HOLA Casa and HOLA Petite. The percentage of our private label products continues to grow steadily, as do average gross margins in HOLA.

Unfavorable Factors:

A.As demand from emerging economies rises, prices of raw materials are expected to increase accordingly.

B.Fluctuation in the U.S. dollar relative to Asian currencies.

C.Global Reciprocal Tariffs.

D. The worldwide supply chain continues to be affected by challenges due to the Russia-Ukraine war, coupled with the inflation and rate.

The Company's response strategies are as follows:

A. Continuing to expand our agency business to provide retail customers and suppliers with more cost-effective communication channels, as well as reducing the Company's own working capital requirements.
B. Cooperating with suppliers in the supply chain to improve design and product development capabilities, enhancing purchasing and bargaining power, and raising the added value of products as well as reducing procurement costs.
C. Strengthen the global sourcing capability and use the long-term stable cooperation with sea freights and forwarders to maintain the steady and flexible shipments and supply chain.

4.2.2 Production Procedures of Main Products

1. Major Products and Their Main Uses:

(1) Test Rite Trading Business Group: market deployment in the Americas, pan Europe, New Zealand & Australia, Southeast Asia India.

Business Sectors	Major Products	Main Uses
Seasonal	Gardening Christmas deco accessories	●Maintenance of gardens (shovels, sprinklers, etc.) and beautifying home environment. ●Christmas gifts and products.
Outdoor	Outdoor furniture BBQ	●Outdoor Furniture (Outdoor tables and chairs, ice bucket, tents, etc.) and BBQ barbecue stoves and other equipment.
Hardline & Auto	Hand tool Tools Hardware Auto accessories Auto parts New business development	●General Hand Tools (including axes, saws, wrenches, and pliers) for Do It Yourself (DIY) projects, essential for the installation and maintenance of household accessories. ●Hardware Components (e.g., screws) for the necessary spare parts for maintenance. ●Automobile accessories and supplies (e.g., automobile mats and windshield wipers) and automotive repair and maintenance products.
Home Furnishing & Deco	Bathing and Storage Kitchenware Home decoration Luggage & Travel accessories	●Home storage box and cabinets or do it yourself (DIY)'s furniture supplies. ●Travel Storage Products (trunk).
SIT	Stationery supplies Indoor furniture Office supplies	●OA Furniture (e.g., desks and office chairs). ●Stationery (e.g., office supplies, file folders and document holders).
Electronics and lighting merchandise	Computer peripherals and accessories Consumer electronics Household lighting Sports and leisure equipment Grills and barbecue equipment	●Computer Accessories 3C merchandise. ●Ceiling fans, electric fans, lamps (including wall-mounted lamps, table lamps, and floor lamps), products designed to enhance airflow indoors and to provide lighting and accessories for both indoors and outdoors. ●Small consumer electronics for individual or family use that adapt well to a user's daily life, and other electrical appliances, such as blow-dryers, shavers, and infrared detectors. ●Sports and leisure related products (bicycles, beauty and health merchandise) – recreational products designed to enhance the entertainment aspects of daily life. ●BBQ, grills etc.

(2) Test Rite Retail Business Group: market deployment in Taiwan.

Product Sector	Channel Brand	Sales Merchandise and Services
Home	HOLA	●A leader in lifestyle trends, HOLA provides fashionable and

Furnishings	hoi! good life	diverse furniture supplies. There are 23 stores in Taiwan. ●With the depth exploration of the elements really needed in "good life", the concept of material selection and integrating all resources, providing you with the most secure professional delivery, installation, and after-sales service. There are 18 stores in Taiwan.
Home Improvement	Test Rite Retail Test Rite community stores	●Comprehensive, professional, and leading DIY brands for home improvement supplies and services with 28 stores in Taiwan. ●Cultivating community services, opening the small TLW with 37stores.
Mattresses and Bedding	WEDGWOOD FRETTE	●The Company is the agent for the Wedgwood home and bedroom decorated fabrics brand. There are presently 11 store counters. ●The Company is the agent for the Fretter premium Italian bedding brand. There are presently 1 store counters.
Comprehensive Household Integrated Services	DÉCOR House	●Professional services integrated with home improvement, home furnishing, furniture, bedding, interior design, and full-house decorations. Collaborates with various representative catering, home appliance, and service brands. Positioned as the "Comprehensive Home Integrated Services Solution" provider, the unit's base in Taoyuan Nankan has a floor area of approximately 4,300 pings and a business area of 17,300 pings. Taiwan's first large-scale shopping mall for household-themed merchandise, there are 1 stores in Taiwan.

2. Major Products and Production Processes: N/A. The Company is engaged in the traditional trading industry and is not involved in manufacturing.

4.2.3 Supply Status of Main Materials

The Company does not manufacture any products; thus no issues exist with regard to supply of raw materials. Upstream suppliers are mainly manufacturers of hardware and hand tools, household products, furniture, office supplies, and IT products. The Company maintains long-term relationships and is on good terms with upstream suppliers. We collaborate with them extensively on product specifications and delivery dates, and the supply of products has not been a problem.

4.2.4 Major Suppliers and Clients

1. Major Clients (each commanding 10%-plus share of annual order volume) Information for the Last Two Calendar Years.

Company Name	2025			2024		
	Amount	Percent	Relation with Issuer	Amount	Percent	Percent
A Co.	5,559,232	17%	No relation	5,765,336	16%	No relation
B Co.	No	No	No relation	No	No	No relation

2. Major Suppliers Information for the Last Two Calendar Years: NA.

4.2.5 Production in the Last Two Years: N/A.

The Company is engaged in the trading industry and is not involved in manufacturing.

4.2.6 Shipments and Sales in the Last Two Years

Unit：NTD$ thousands

Year / Production Figures / Business Units	2024		2025	
	Amount		Amount	
	Local	Export	Local	Export
Principal Trading(Agency)	0	19,772,901	210	18,082,473
Taiwan Retail	13,719,067	0	12,204,933	0
Others	3,340,081	0	3,334,185	0
Total	17,059,148	19,772,901	15,539,328	18,082,473

4.3 Human Resources

Test-Rite International Co., Ltd., and Subsidiary

Year		2024	2025	As of March 31 , 2026
No. of Group Employees	Headquarters	1,641	1,697	1,719
	Store	2,424	2,346	2,241
	Total	4,065	4,043	3,960
Average Age		41.27	41.27	42.19
Average Years of Service		8.87	8.87	9.61
Education`	Ph.D.	0.05%	0.08%	0.08%
	Masters	4.67%	4.67%	4.62%
	Bachelor's Degree	70.01%	69.52%	69.63%
	Senior High School	22.07%	22.74%	22.65%
	Below Senior High School	3.19%	2.99%	3.01%

Test-Rite International Co., Ltd.

Year		2024	2025	As of March 31 , 2026
No. of Group Employees	Headquarters	355	220	220
	Store	0	0	0
	Total	355	220	220
Average Age		44.10	44.68	47.84
Average Years of Service		11.49	11.58	14.58
Education	Ph.D.	0.00%	0.00%	0.00%
	Masters	13.26%	18.29%	16.46%
	Bachelor's Degree	73.48%	76.83%	78.48%
	Senior High School	13.26%	4.88%	5.06%
	Below Senior High School	0.00%	0.00%	0.00%

4.4 Environmental Expenditure Information:

1. Overview of Environmental Expenditures:

To enhance energy efficiency, the company has successively rolled out more energy-saving and environmentally friendly lighting equipment, retired traditional large-scale storage equipment, adjusted the use time or intensity of air conditioners with high power consumption in stores according to the seasons, and adjusted the electricity meters in each store. We also improve the contract capacity to better control the performance of power consumption.

Total expenditure on environmental conservation over the last three years, including installation of energy saving lighting fixtures, waste management and wastewater treatment, are listed in detail as follows:

Items	2023	2024	2025
Installation of energy saving lighting fixtures	3,275,056	2,865,417	7,064,066
Waste management	11,230,773	11,903,038	7,567,003
Wastewater treatment	343,973	238,005	1,731,201
Total expenses(NT$)	**14,849,802**	**15,006,460**	**16,362,270**

2. During the most recent fiscal year and up to the date of publication of this Annual Report, the Company’s subsidiaries incurred total losses, including compensation, and penalties arising from environmental pollution in the aggregate amount of NT$2,451,000.

Date and Reference Number of the Penalty	Laws and Regulations Violated	Violated Laws and Regulations	Details of Penalty and Remedial	Corrective Actions and Response Measures	Potential Expenditures
2025.08.19 Reference No：30-114-070005	Water Pollution Control Act	The Environmental Protection Bureau conducted on-site sampling at the effluent discharge outlet (D01) of the DÉCOR House Nankan Branch on April 21, 2025. Based on the laboratory test results, suspended solids measured 115 mg/L, biochemical oxygen demand (BOD) measured 151 mg/L, and chemical oxygen demand (COD) measured 365 mg/L, all of which failed to comply with the applicable effluent discharge standards (suspended solids: 30 mg/L; BOD: 30 mg/L; COD: 100 mg/L).	A fine of NT$273,000 and mandatory environmental training of 2 hours.	Improvements were completed in August 2025, and a reply with the attached water quality inspection report was submitted to the Taoyuan City Environmental Protection Bureau for record. The fine was paid on September 8, 2025, and a designated responsible staff member has completed the required environmental training in accordance with regulations.	The fine has been paid in full, with no additional expenditures.
2025.12.29 Reference No：30-114-120023	Water Pollution Control Act	The Environmental Protection Bureau conducted on-site sampling at the wastewater discharge outlet of the DÉCOR House Nankan Branch on October 16, 2025 . The test results	A fine of NT$2,178,000 and mandatory environmental training of 2 hours.	Pursuant to the requirements of the Environmental Protection Bureau, the Company engaged Full Field Environmental Technology Co., Ltd. on April 7, 2026 to provide a water quality inspection report confirming	The fine has been paid in full, with no additional expenditures.

Date and Reference Number of the Penalty	Laws and Regulations Violated	Violated Laws and Regulations	Details of Penalty and Remedial	Corrective Actions and Response Measures	Potential Expenditures
		indicated that the effluent quality failed to meet the applicable discharge standards, with suspended solids measured at 145 mg/L, biochemical oxygen demand (BOD) at 355 mg/L, and chemical oxygen demand (COD) at 518 mg/L, exceeding the regulatory limits (suspended solids: 30 mg/L; BOD: 30 mg/L; COD: 100 mg/L).		compliance with effluent discharge standards, which was submitted to the Environmental Protection Bureau for review. The incident was mainly caused by repair work on the equalization tank of the wastewater treatment system, which temporarily reduced treatment capacity and resulted in effluent exceeding regulatory limits. Corrective actions have been implemented, including regular maintenance of the equalization tank, prioritizing the use of eco-labeled and highly biodegradable cleaning products at the DÉCOR House Nankan Branch, and conducting weekly inspections of effluent quality and system operation by both the Company and external testing laboratories to prevent recurrence.	

4.5 Labor Relations

1. The Company's various employee welfare, educational, training, and retirement-programs are implemented in agreement between management and labor and fulfills the rights of labor.
   (1) Employee Welfare Programs:

   To promote the welfare of our employees and to create an environment in which our employees can enjoy working in, the Company has in place an Employee Welfare Committee to facilitate the promotion and implementation of various employee welfare measures. The funding source of the Employee Welfare Committee comes from revenue and employee salaries, allocated in accordance with the legally mandated proportions by the competent authority. The benefits of Employee Welfare Committee include birthday gifts, gift, certificates leisure and entertainment, wedding and funeral allowances, emergency assistance, group subsidies, sports meetings, specific store offers. For the benefit of employee physical and mental health, we work with Hsinchu Lifeline to provide the free consultation for employees and we also cooperate with the Blood Service Foundation on setting up blood donation days, and hold health forum with the relevant units. In addition, the Company's welfares program contain provision for employee health plans (labor insurance, health insurance, group/commercial insurance and employee physical examinations), employee shopping discounts, senior employee rewards, festivities, and the end-of-year party.

(2) Employee Education and Training Programs

Test-Rite adheres to the concept that "continuous learning is the key to corporate sustainability and competitiveness" and implements long-term investment in employees through a systematic and goal-oriented talent development system. The annual training plan is implemented by the human resources development units directly under each company and business group, covering core functions, professional functions and leadership functions. Through a systematic feedback mechanism, the training results are regularly reviewed to ensure that learning outcomes can be substantially transformed into work performance.

In order to create a more flexible and proactive learning atmosphere, the company has built a digital learning platform, developed diverse online content to enhance learning motivation and participation. We also actively introduce hybrid learning design, integrating online live broadcasts, digital courses and physical courses, responding to adult learning trends, expanding the depth and breadth of learning, and demonstrating the company's emphasis on talent development.

A. Management training: According to the leadership competencies, we design corresponding programs to strengthen people management capability and deepen managers' reflection on the fundamental management concepts and skills as well as to inherit our company's management philosophy and culture. In order to root the company's culture in people's hearts, we encourage our people to participate and discuss in the classroom actively. Meanwhile, they can share the experiences with the practical cases of achievement and failure to each other. In addition, talents will be selected based on their individual development needs to participate in external leadership workshop on topics such as ORID and Group Dynamics.

B. Specialized training: According to the professional functions of key positions, we have made a training framework and designed a series of professional courses, including merchandising, marketing and sales, trading, etc. The scope of courses covers entry, basic to advanced and to meet the needs of each level of ability. We focus on channel strategy, professional experts in various categories of stores have been collecting store sales, and organizing professional knowledge, and regularly holds expert group workshops. The learning content includes applications for each unit, commodity expertise, service response, sales links, etc.In order to make learning not limited by time and place, we provide employees the blended learning resources to learn professional knowledge on the digital platform preliminarily and then conduct the physical face-to-face courses to increase the benefits of training depth. It generates a positive cycle to enhance the employees' motivation of professional growth and improve customers' satisfaction toward our professional impression. In recent years, in order to encourage the diversified development of our colleagues, we have implemented personal development plans to enrich various functions, knowledge and experience, while cultivating all-round talents who can respond quickly to external changes. In addition to internal courses, the company also regularly selects colleagues to participate in external training courses or seminars to enhance market sensitivity and maintain necessary skills.

C. General knowledge training and orientation: Various general knowledge courses for various levels of the management are designed based on individual employees' general knowledge functions, with the aim of helping them improve their efficiency. These courses include communication skills, presentation skills, project management, problem analysis and resolution, and customer service. The company attaches much importance to employees' level of identification with the company's culture. During orientation, senior executives personally introduce the company's development and strategies. Courses are also designed to introduce the company's values, so that employees understand that the company values honesty, responsibility, humility, high performance and Customer orientation . In addition, a mentor system has been introduced to provide continuous attention to new employees. Each employee has an exclusive Mentor, who will lead the junior staff to work in a planned way, impart professional knowledge and skills, and guide the new staff to integrate into the company culture, gather centripetal force and improve their development continuously .

Training programs	Training sessions	Attendees	Training Hours	Training expense(NT$)
General knowledge training	35	20,213	14,789	$ 1,854,911
Specialized training	114	5,176	23,443	
Management training	14	166	812	
Total	163	25,555	39,044	

(3) Staff ethical conduct and code of ethics:

A. The company has established code of conductor staff to follow in their daily work. All employees are required to comply with the ethical conduct and code of ethics of the Company. For example, to adhere to the principles of integrity and honesty, protecting the Company’s reputation, exhibiting a spirit of teamwork, loyalty and diligently finishing one’s duties, avoiding arrogance and greed, and refraining from behavior that may damage the reputation of individuals or the institution, Staff are also prohibited from using their position to accept gifts or favors.

B. All staff members sign a employment contract that stipulates they should carefully manage confidential information pertaining to their duties, except in cases where it is necessary to provide information for the execution of a certain duty, information not disclosed by the Company itself may not be disclosed to a third party or for purposes other than those related to the work in question. This applies also for those staff members who have signed the agreement but are no longer with the company.

C. The company has established a "Major Internal Information Processing Procedure" in order to establish good internal processing and a mechanism within the Company for the disclosure of major information; this procedure prevents improper information leaks and ensures the consistency and accuracy of the information published by the Company.

D. The company has established "Personal Data Management Objectives and Policies" for the management and preservation of the company's proprietary information, including that of its personnel and customers. To better regulate the behavior of employees using computers, the company has established its “Personal Computer Security Management Procedures” “Account and Authorization Management Procedures "and" Personal Information breach incident management Instruction " with which all employees must comply.

E. The company has established a robust business operation model and Code of Conduct and Ethics Guidelines for Integrity in Business Operations . Employees are encouraged to find breaches in the rules or the Code of Practices Act, hold sexual harassment prevention education and training regularly. Employees are encouraged to report any violation of laws, regulations or this Code through the complaint mailbox.

F. In order to safeguard gender equality and personal dignity, the Company strictly prohibits sexual harassment in the workplace, has established “Group Sexual Harassment Prevention Measures, Complaint and Disciplinary Measures”, and regularly organizes sexual harassment prevention education and training.

G. Measures in place to advocate the above provisions. Their contents can also be found in the Company's internal messaging systems and the Company's official website.

(4) Retirement programs and status of implementation:

A. The company has adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to an employee’s’ individual pension contributing the equivalent of 6% of monthly salary and wages.

B. The company has adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salary of the six months prior to retirement. The consolidated company allocates pension based on the total monthly salary of the employees according to the actuarial’s calculation. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. The plan assets are invested in domestic (foreign) equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of Bureau of Labor Funds of the Ministry of Labor or under mandated management. In accordance with Regulations for Revenues, Expenditures, Safeguarding and Utilization of the Labor Retirement Fund the return generated by employees' pension contribution should not be below the interest rate for a 2-year time deposit with local banks.

C. As at year-end 2025, the fair value of the assets in the Company's retirement fund was NTD32,935 thousand ; the figure for the consolidated company was NTD318,412 thousand.

(5) Labor-management agreement:

The provisions of the Labor Standards Act apply to the Company, and labor-related affairs are carried out in accordance with this Act. An employee suggestion box is available to take into consideration the opinions of employees and to address their complaints, as well as to solicit feedback and recommendations from them as the basis for improving the Company's operations going forward. Since the Company has always attached great importance to employee welfare and valued two-way communication with employees, we have had very amicable labor relations since the Company's inception and there have not been any incidents of labor dispute.

(6) Fulfillment of labor rights and interests:

The Company has established a set of human resources management guidelines and has been reinforcing the rules contained therein to protect the rights and interests of our employees.

2. No labor disputes occurred in the current year. However, we will continue to enhance communication and coordination between labor and management, and make every effort to provide good welfare measures to promote harmonious labor relations, in order to eliminate the possibility of labor disputes.

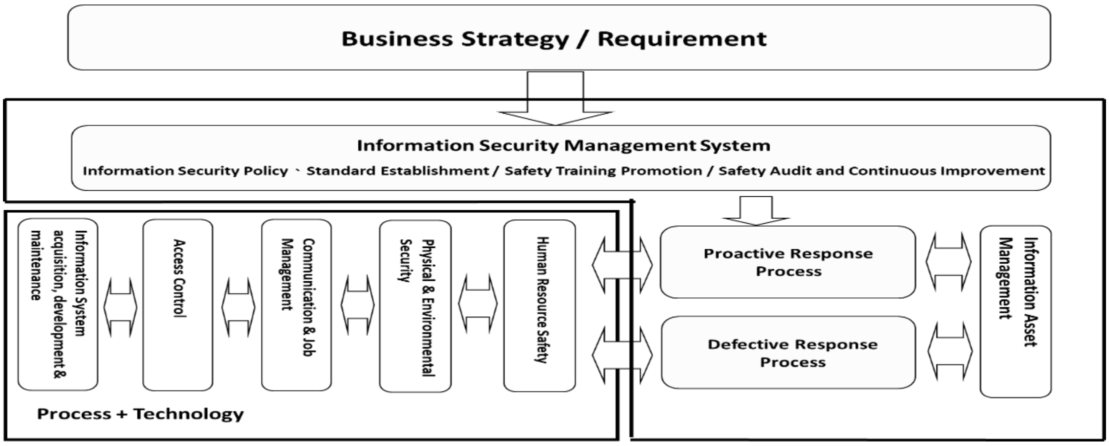
4.6 Information Security Management

4.6.1 Information Security Policy and Management Plan

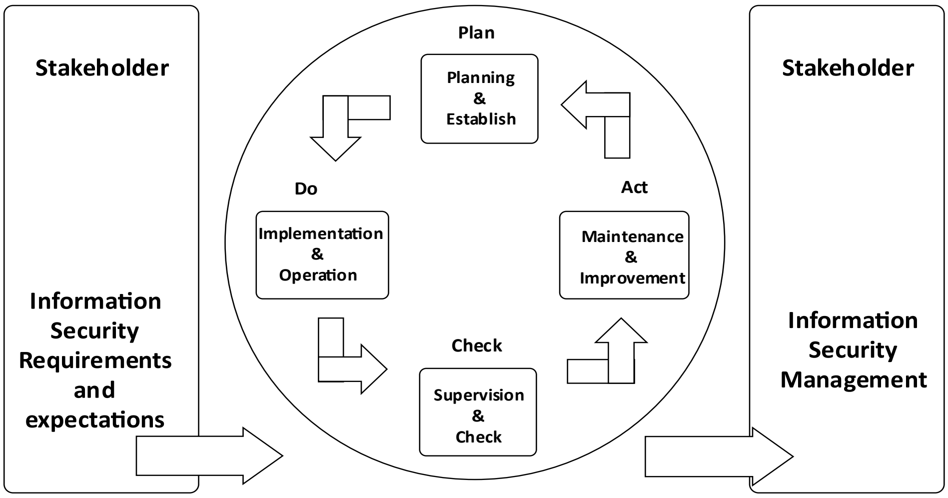
(1). Information Security Risk Management Framework

The company introduced the ISO27001 “ISO 27001 Information Security Management System” guideline to define the information security management framework, the approach, guiding principles, management processes and technology in order to protect the information security and the effectiveness of information security management.

Set up the information technology management committee, responsible for establishing and maintaining the organization vision, strategy, and program to ensure the information assets and technology are well protected, and implement the various management and control requirements, conduct the board meeting every year, review the implementation and ensure the management standards.



Adopt PDCA (Plan-Do-Check-Act) methodology and mechanism, define the standard operation policy and procedures control potential threats. Plan the risk assessment (Plan), design and implement the control procedures (Do), compliance review (Check), and improve actions (Act) are strictly implemented to continuously improve and strengthen the information security management.



(2). Information Security Goals and Policies

1. In order to manage the information security risk, and achieve the target of establishing the information security system, the emergency response capability and the complete system development environment, company establish the information security policy to protect the confidential and sensitive data, defense of external and internal data loss prevention, and improve the quality of information services.
2. Information Security Policy：
   A. Protect the confidentiality, integrity and availability of information assets, and further to provide secure, stable and efficient information services.
   B. Ensure the access to information assets is duly authorized to prevent unauthorized access, tampering, destruction or improper disclosure.
   C. Establish information security incident response procedures to reduce operation impact.
   D. Provide information security awareness and education training regularly, strengthen the

recognition and protection knowledge of information security for all colleagues.

E. Implement the information security safety management operation, and regularly review of implementation effectiveness to maintain the effectiveness of the information security management system.

(3). Specific Management Plan

Information Security Management Measures		
Type	Description	Operation
Access Control	Management measures for personnel access to internal and external systems and account permissions	● Personnel account authority Management and audit ● Regular inventory of personnel account permissions ● Privilege account management ● Operational behavior track record
External Threat and Internal Vulnerability Management	Protection against external threat detection, internal vulnerabilities, virus protection and malware	● Network planning and threat monitoring ● External network connection management ● Virus protection and malware detection ● Server / computer vulnerability protection and update measures ● Vulnerability scanning / Penetration testing
Application System Security	Application system security and the process when service is interrupted	● Application system development information security check ● Program security scan ● Information backup, local/remote backup mechanism ● Regular recovery drills
Human and Environmental Safety	Data center security maintenance and equipment management	● Control of personnel entering and leaving the data center ● Device management ● Data center environment management

(4). Invest resources of the information security management

1. Insurance and Budget

Company established comprehensive network system and computer-related information security protection procedure, but not guarantee that the company will not be affected by new cyber attacks and information security threats, for example, hacker attacks or ransomware. In order to prevent the financial impacts from major information security incidents and protect the rights and interests of customers and investors, "Data Protection Insurance" has been insured for incident handling and resulting losses. We continue to budget and invest on implementing information security defense capabilities.

2. Execute work & invest in manpower

Conduct the email social engineering drills for all employees of the group twice in 2025, and complete the annual information security training for all employees.

To ensure the security of the overall information environment, the Company regularly maintains and manages the information security of related IT equipment, perform the security protection activities, vulnerability scanning, penetration testing, and cooperate with 7*24 outsourced intrusion detection to monitor and manage the security events, continuously optimize the operation of the information security management.

4.6.2 Major cybersecurity incidents of recent years

On March 23, 2026, the Cybersecurity Incident by Our Company's Overseas Subsidiary.
It is assessed that the incident has no material impact on the Company's financials and business.
The Company will continue to strengthen its network security architecture and control procedures to safeguard overall information security.

4.7 Important Contracts

December 31, 2025

Agreement	Counterparty	Period	Major Contents	Restrictions
Lease Agreement	Tsai Wang Enterprise Company Limited	2022.12.26～2024.12.31	4F、5F、6F、B2., No.23, Hsin Hu 3rd Road., Nei Hu 114, Taipei, Taiwan, R.O.C	The lease annual rent of NT$ 40,096,404. During leasing year, the yearly rental has to be increased by 1%～2% of previous year agreement.
Long-term loan	Syndicate Loan primarily coordinated and run by First Commercial Bank	2022.11.22～2027.11.22	Borrower: Test Rite International Co., Ltd. Project: Credit financing/credit cycles financing	Financial debt ratio cannot exceed 150% Liquidity ratio cannot be lower than 100%. Interest protection multiplier cannot be lower than 250%. Net Worth cannot be lower than NTD5.20 billion. It is calculated based on annually individual financial statements of Testrite.
Long-term loan	First Commercial Bank	2021.10.04～2027.03.03	Borrower: Test Rite Retail Co., Ltd. Project: relief and economic stimulus package	None
Long-term loan	First Commercial Bank	2025.05.29～2027.05.29	Borrower: Test Cin M&E Engineering Co., Ltd. Project: relief and economic stimulus package	None
Long-term loan	First Commercial Bank	2025.10.17～2030.10.17	Borrower: Test Cin International Co., Ltd. Project: relief and economic stimulus package	None
Long-term loan	First Commercial Bank	2025.08.24～2030.09.09	Borrower: Test Pro Development Co., Ltd. Project: relief and economic stimulus package	None

Agreement	Counterparty	Period	Major Contents	Restrictions
Long-term loan	KGI Commercial Bank	2025.08.27～ 2027.08.27	Borrower: Test Rite International Co., Ltd. Project: Credit cycles financing	None
Long-term loan	KGI Commercial Bank	2024.12.31～ 2026.06.22 2025.01.16～ 2030.06.29	Borrower: Tony Construction Co., Ltd. Project: Credit cycles financing	None
Long-term loan	KGI Commercial Bank	2025.01.16～ 2030.06.29	Borrower: Test Cin M&E Engineering Co., Ltd. Project: Credit cycles financing	None
Long-term loan	Taiwan Business Bank	2024.04.09～ 2028.04.09	Borrower: Test Rite International Co., Ltd. Project: Credit cycles financing	None
Long-term loan	Taiwan Business Bank	2024.06.05～ 2029.06.05	Borrower: Test Cin M&E Engineering Co., Ltd. Project: Credit cycles financing	None
Long-term loan	The Export-Import Bank of the Republic of China	2019.05.16～ 2025.05.16 2020.05.05～ 2026.05.05	Borrower: Test Rite International Co., Ltd. Project: Credit financing	None
Long-term loan	Taishin International Bank	2025.06.20～ 2027.06.20	Borrower: Test Rite International Co., Ltd. Project: Credit cycles financing	Financial debt ratio cannot exceed 150% Liquidity ratio cannot be lower than 100%. Interest protection multiplier cannot be lower than 250%. Net Worth cannot be lower than NTD5.20 billion. It is calculated based on annually individual financial statements of Testrite.
Long-term loan	Taishin International Bank	2023.02.22～ 2028.02.22	Borrower: Test Rite Business Development Corporation (China) Co., Ltd. Project: Loan Secured	Using Test Rite Business Development (CHINA) Co Ltd.'s real Estate in Shanghai as the Mortgage Guarantee.
Long-term loan	Bank Sino Pac	2025.10.30～ 2027.10.31	Borrower: Test Rite International Co., Ltd. Project: Credit cycles financing	None
Long-term loan	Hua Nan Commercial Bank	2025.04.15～ 2027.04.18	Borrower: Test Rite International Co., Ltd.. Project: Credit Project: Credit cycles financing	None

Agreement	Counterparty	Period	Major Contents	Restrictions
Long-term loan	Bank of Taiwan	2024.05.15～ 2027.05.15	Borrower: Test Rite International Co., Ltd. Project: Credit Project: Credit cycles financing	None
Long-term loan	Yuanta Commercial Bank Co., Ltd.	2024.09.02～ 2027.09.02	Borrower: Test Rite International Co., Ltd. Project: Credit cycles financing	None
Long-term loan	Mega International Commercial Bank	2025.07.19～ 2027.07.18	Borrower: Chung Cin Enterprise Co., Ltd. Project: Credit cycles financing	None
Long-term loan	Mega International Commercial Bank	2024.02.23～ 2029.02.23	Borrower: Test Pro Development Co., Ltd. Project: Credit cycles financing	None
Long-term loan	Far Eastern International Bank	2025.10.27～ 2027.10.27	Borrower: Test Rite International Co., Ltd. Project: Credit cycles financing	None
Long-term loan	LAND BANK OF TAIWAN	2024.06.05～ 2044.06.05	Borrower: Chung Cin Enterprise Co., Ltd. Project: Credit cycles financing	None
Long-term loan	Taipei Fubon Bank	2020.10.22 2026.10.31	Borrower: Tony Construction Co., Ltd. Project: Credit cycles financing	None
Long-term loan	Taipei Fubon Bank	2020.10.22 2026.10.31	Borrower: Test Pro Development Co., Ltd.Project: Credit cycles financing	None
Long-term loan	Chinatrust Commercial Bank	2025.06.09 2028.06.09	Borrower: Test Pro Development Co., Ltd .Project: Credit cycles financing	None

V. Review of Financial Conditions, Operating Results, and Risk Management

5.1 Analysis of Financial Status

Unit：NTD$ thousands

Year / Item	2024	2025	Difference	
			Amount	%
Current Assets	17,568,128	17,951,609	383,481	2.2%
Property, plant and equipment	5,275,967	5,236,105	(39,862)	0.8%
Other Intangible Assets	2,513,774	3,202,025	688,251	27.4%
Other Assets	10,755,785	12,024,504	1,268,719	11.8%
Total Assets	36,113,654	38,414,243	2,300,589	6.4%
Current Liabilities	13,486,415	14,516,718	1,030,303	7.6%
Non-current Liabilities	14,981,695	15,125,719	144,024	1.0%
Total Liabilities	28,468,110	29,642,437	1,174,327	4.1%
Capital stock	5,098,875	5,098,875	-	-
Capital surplus	2,446	195,060	192,614	7,874.7%
Retained Earnings	2,119,782	1,859,516	(260,266)	-12.3%
Other Equity	(66,206)	(166,964)	(100,758)	152.2%
Treasury stock	-	-	-	-
Non-controlling Interests	490,647	1,785,319	1,294,672	263.9%
Total Stockholders' Equity	7,645,544	8,771,806	1,126,262	14.7%

Causes of significant changes in Assets, Liabilities, and Stockholders’ Equity for the most recent two-year period, and explanations of their effects are detailed below (includes changes of up to 20% and the amount of the change up to NTD10 million). If such changes pose a significant impact, future countermeasures shall be elaborated:

1. Other intangible assets： Resulted from the goodwill acquired through the acquisition of subsidiaries.
2. Capital surplus：The increase in the current period is entirely due to the capital increase in subsidiaries not proportionate to the ownership interest (shareholding ratio).
3. Other equity items：Due to the continuous appreciation of the New Taiwan Dollar (NTD) against the US Dollar (USD), the "Exchange differences on translation of foreign financial statements" decreased in the year 2025 , and the disposal of financial assets, which led to a decrease in the 'Unrealized gains or losses on financial assets measured at fair value through other comprehensive income' for the year 2025.
4. Non-controlling interests：The increase in the current period mainly includes capital increase in subsidiaries not proportionate to the ownership interest, newly added entities that are not 100% owned, and comprehensive income attributable to non-controlling interests for the current period, etc.

5.2 Analysis of Operating Results

5.2.1 Analysis of Operating Results

Unit：NTD$ thousands

Item \ Year	2024	2025	Difference	
			Amount	%
Operating Revenue	36,832,049	33,621,801	(3,210,248)	-8.7%
Operating Costs	27,355,397	25,099,045	(2,256,352)	-8.2%
Gross Profit	9,476,652	8,522,756	(953,896)	-10.1%
Operating Expenses	8,852,035	8,359,878	(492,157)	-5.6%
Operating Income	624,617	162,878	(461,739)	-73.9%
Non-operating Income and Expenses	(309,154)	(108,217)	200,937	65.0%
Income Before Tax	315,463	54,661	(260,802)	-82.7%
Tax Benefit (Expense)	(138,183)	(108,811)	29,372	21.3%
Income After Tax	177,280	(54,150)	(231,430)	-130.5%

Causes of significant changes in sales revenue, operating net income, and net income before tax for the most recent two-year period, and explanations of their effects are detailed below (includes changes of up to 20%). If such changes pose a significant impact, future countermeasures shall be elaborated:

1. Decrease in net operating profit and net profit before tax for the current period: mainly due to trade being affected by uncertainties such as tariffs, international dynamics, and trade policies.
2. Increase in non-operating income and expenses：Primarily due to valuation gains on financial assets measured at fair value, such as forward exchange contracts.
3. Decrease in income tax expense and net profit for the current period: Resulted from the impact of tariffs, which adversely affected profitability and the related income tax expense.

5.2.2 The expected sales quantity for the upcoming year and the key factors influencing the company's anticipated sales growth or decline are as follows:

At the beginning of 2020, the severe Covid- 19 epidemic broke out in the world, which hit the global economy hard, and various industries were in an unparalleled crisis; When he global economy gradually recovered in 2021, retailers continued to stock up actively, due to the sustained increase in raw material prices, high freight rates, and the instability of shipping times; In 2022, the problem of congested port continued to affect the pace of stocking and increase the cost of daily operation. Subsequently, this has posed a severe challenge for retailers to adjust inventory levels due to excessive stock levels. Furthermore, in response to the global battle against inflation, a series of interest rate hiking were launched in 2022, which greatly increased the cost of funds. As a supplier to many major global retailers, Test Rite trading business is bound to face certain impacts from these challenging circumstances. Since 2023.H2 the major global retailers controlled the high level of inventory problem, in addition, based on its positioning of a comprehensive integrated service provider and leveraging its international procurement capabilities, Test Rite trading business continues to deploy and expand its branches and supply chains in Southeast Asian markets. Therefore, when countries unblock and resume business activities, it will be expected to help expand more business opportunities.

In 2024, thanks to the gradually clear momentum of North American customers to pull goods, the second half of the year will be particularly strong. In 2025, the United States imposed high "reciprocal tariffs" on the world, triggering an escalation of the global tariff trade war, which had a significant impact on Test Rite-Trend.
During this challenging period, Test Rite trading business proactively implemented

countermeasures with our supply chain and clients, alongside enforcing internal cost and expense controls; nevertheless, the impact remained substantial. Looking ahead to 2026, U.S. tariff policies remain unresolved, and escalating tensions in the Middle East add further uncertainties. Test Rite Trade will continue to closely monitor these developments and formulate preemptive response strategies.

Since 2016, Integrated Housing and Land Tax was officially implemented, which has partially suppressed the purchase demand of home buyers for DIY and household products. With the implementation and revisions of various policies such as the " One Fixed Day Off and One Flexible Rest Day per Week" policy in 2017, the pension reform policy in 2018, the US-China trade war in 2019, the retail industry being engulfed in the COVID-19 pandemic from 2020 to 2022 and Russia-Ukraine war, inflation, and interest rate hiking in 2023 , etc. Thus, the overall economic environment has been severe and has posed challenges to consumer spending power. In 2024, the shadow of the epidemic will dissipate, and the world will usher in a retaliatory wave of overseas travel. The tightening demand for home improvement DIY tools and household items will become a new issue. In 2025, global stock and currency markets experienced severe volatility due to fluctuations in U.S. tariff policies, which significantly impacted consumer confidence. Although Taiwan's economic growth reached a record high in recent years, this momentum was heavily concentrated in AI-related industries; consequently, the domestic consumer market remained conservative amid macroeconomic uncertainties. Furthermore, the real estate market entered a correction phase characterized by "declining volumes and stagnant prices" due to the Central Bank's seventh wave of selective credit controls and tightened bank lending, leading to a prevalent "wait-and-see" sentiment.

Looking ahead to 2026, global geopolitics and tariff policies remain uncertain, and the overall economic environment continues to be unstable. In response to shifting consumer behaviors, our retail division will actively strengthen the sales of "service-based products." This includes the expansion of community-based small stores, such as "TLW Home Manager" and "DIFY," to provide customers with immediate and professional services. Simultaneously, we will utilize experiential marketing to enhance brand uniqueness and customer loyalty. To address the fundamental shifts in work patterns, lifestyles, and disposable income, we will continue to integrate high-quality products with our service expertise to provide comprehensive lifestyle solutions that cater to consumers across different purchasing power levels.

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

Unit：NTD$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Inflow (3)	Cash Surplus (Deficit) (1)+(3)	Leverage of Cash Deficit	
				Financing Plans	Financing Plans
2,570,927	1,936,707	(688,967)	1,881,960	N.A.	N.A.

1. Operating Activities: The net cash inflow from operating activities NTD 1.9 billion, was attributable mostly to income before tax of NTD 2.4billion as a result of non-cash expenses. In addition, the decrease in inventory under the management. In 2025, tariff issues impacted the shipment volumes and schedules of trading customers, leading to a decrease in related accounts receivable and accounts payable. Additionally, contract assets increased due to the commencement of new projects within the engineering business.

2. Investment activities: Net cash outflow from investing activities NTD1.0billion came from the acquired the plant, property and equipment , intangible assets, acquisition of financial assets measured at amortized cost, and acquisition of newly consolidated entities through the purchase of existing shares.
3. Financing activities: The net cash outflow from financing activities NTD 1.6 billion mainly due to cash dividends, repayment of principal, lease principal repayments, changes in non-controlling interests, etc.

5.3.2 Plans for improvement for inadequate liquidity: Inadequate liquidity does not apply to the Company.

5.3.3 Cash Flow Analysis for the Coming Year

Unit：NTD$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	cash outflow (3)	Cash Surplus (Deficit) (1) -(3)	Leverage of Cash Deficit	
				Financing Plans	Financing Plans
1,881,960	3,541,700	255,000	2,136,960	N.A.	N.A.

Analysis of cash flow changes for the coming year:

I. Operating activities: The 2026 US tariff issue and Middle East conflict issues have caused global economic instability. In addition to actively taking supply chain and customer response measures, the Test-Rite Group will also actively control costs and expenses to mitigate the impact.

II. Investing and financing activities: cash outflow for investment and financing activities of NTD3.3billion resulted from the entire year, which included new stores opening, stores renovations, warehouse renovation, IT capital etc. Financing activities included the planned cash dividend payout and the repayment of loans and leases principal payments and changes in non-controlling interests.

5.4 Major Capital Expenditure Items: None.

5.5 Investment Policy in the Previous-Year, Main Drivers of Profits/Loss Improvement and Investment Plans for the Coming Year

5.5.1 Investment Policy in the Previous Year, Main Drivers of Profit /Loss Improvement Plans

The Company's long-term investment policy is in line with its operating and strategic development plans, and carefully planned investment activities are conducted and managed at home and abroad within acceptable risk tolerance. In addition to complying with government regulations, our operations and practices are conducted in accordance with the Company's established Guidelines for Managing Long- and Short-term Investment Operations and Guidelines for the Acquisition or Disposal of Assets in order to effectively manage, monitor and control the financial and operating status of our subsidiaries.

5.5.2 Main Drivers of Profit/Loss and Improvement Plans

Date: December 31, 2025; Unit: NT$ thousands

Remarks / Item	Original investment amount	Policies	Reasons for gain or loss	Action plan
Test-Rite Retail Co., Ltd.	4,649,542	Sales of home renovation related products and services	Profit recognized under the equity method	NA
Test-Rite Home Service Co., Ltd.	86,000	Interior design	Profit recognized under the equity method	NA
Hola Furnishing Co.,	408,291	Sales of furniture,	Loss recognized under	NA

Remarks / Item	Original investment amount	Policies	Reasons for gain or loss	Action plan
Ltd.		bedding, kitchen equipment and fixtures	the equity method	
Testrite Brand Agency Co., Ltd.	480,198	Sales of furniture, bedding, kitchen equipment and fixtures	Loss recognized by under the equity method	NA
Hoi Living International Co., Ltd.	67,802	Sales of furniture, bedding, kitchen equipment and fixtures	Profit recognized under the equity method	NA
Lih Chiou Co., Ltd.	3,011,137	Investment holding company	Profit recognized under the equity method	NA
Lih Teh International Co., Ltd.	63,290	Investment holding company	Profit recognized under the equity method	NA
Fusion International Distribution, Inc.	73,785	Importation and exportation	Loss recognized under the equity method	NA
International Art Enterprise Co., Ltd.	122,609	Trading of leisure goods	Loss recognized under the equity method	NA
B&S Link Co., Ltd., Ltd.	22,994	Providing information software and electronic information	Profit recognized under the equity method	NA
Home Tech Co., Ltd.	-	Other information provision services	Profit recognized under the equity method	NA
Chung Cin Enterprise Co., Ltd.	665,810	Authorized builder of dwellings, rental and sale of building	Profit recognized under the equity method	NA
Tony Construction Co., Ltd.	361,000	Building and civil engineering	Profit recognized under the equity method	NA
Test Cin M&E Engineering Co., Ltd.	136,610	Mechanical and electronic engineering	Profit recognized under the equity method	NA
Chung Cin Interior Design Construction Co., Ltd.	48,720	Interior design	Profit recognized under the equity method	NA
Le-Joy Innovation Co., Ltd.	67,140	Condominium Buildings Management Service	Loss recognized under the equity method	NA
Test King Industry Co. Ltd.	11,970	Mold Rental Industry	Loss recognized under the equity method	NA
Test Cin International Co., Ltd.	13,770	Sale of construction material	Profit recognized under the equity method	NA
Test Pro Development Co., Ltd.	84,420	Sale of Ironware, Retail	Loss recognized under the equity method	NA
Zenni kin Co., Ltd	78,152	Importation and exportation	Profit recognized under the equity method	NA
Viet Han Co., Ltd..	120,643	Importation and exportation	Loss recognized by under the equity method	Review and improve operational performance and establish effective cost

Item \ Remarks	Original investment amount	Policies	Reasons for gain or loss	Action plan
				and expense control measures.
Chung Cin Enterprise (U.S.) Corp.	27,864	Investment holding company	Loss recognized under the equity method	NA
Test-Rite Products (Hong Kong) Limited	4,222	Importation and exportation	Profit recognized under the equity method	NA
Test Rite Pte Ltd.	39,748	Importation and exportation	Profit recognized under the equity method	NA
Test-Rite Int'l (Australia) Pty. Limited	114,453	Importation and exportation	Loss recognized under the equity method	Review and improve operational performance and establish effective cost and expense control measures.
Test-Rite (UK) Ltd.	110,976	Importation and exportation	Loss recognized under the equity method	NA
Test-Rite Development GmbH	1,087,772	Investment holding company	Mainly due to the investment in the holding company of Germany Trading subsidiaries, the Loss of which were recognized under the equity method.	NA
Test-Rite International (U.S.)Co., Ltd.	2,496,610	Investment holding company	Profit recognized under the equity method	NA
Test Rite Int'l (Canada) Ltd.	51,483	Importation and exportation	Loss recognized under the equity method	Review and improve operational performance and establishing effective cost and expense control measures.
Test Rite Retailing Co., Ltd.	5,314,666	Investment holding company	Loss recognized under the equity method	NA
Test Rite Trading Co., Ltd.	2,606,404	Investment holding company	Mainly due to the investment in the holding company of China Trading subsidiaries, the loss of which were recognized under the equity method.	NA
Up master	311,736	Investment holding	Profit recognized under	NA

Item \ Remarks	Original investment amount	Policies	Reasons for gain or loss	Action plan
International Co., Ltd.		company	the equity method	
Fortune Miles Trading Inc.	941	Investment holding company	Annual fee payments and loss recognized the equity method	NA
Lucky Rite Company Ltd.	121,132	Tally packing and real estate leasing	Loss recognized under the equity method	NA
Hampton Products International Corporation	815,781	Import, manufacture and wholesale of hardware and locks	Profit recognized under the equity method	NA
Test-Rite India Private Limited	120,646	Trade	Loss recognized under the equity method	NA

5.5.3 Investment plan in one year: No major investment project.

5.6 Analysis of Risk Management

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

1. Interest rate

(1) Losses that have impacted the company: the Company's interest expenses from loans for 2024 and 2025 were NT$424,241 thousand and NT$366,627 thousand.

Unit：NT$ thousands

Item／Year	2024	2025
Ratio of liabilities to assets (%)	78.83	77.17
Interest expense	585,142	524,300
Income before tax	315,463	54,661
Ratio of interest expense to income before tax (%)	185.49	959.18

(2) Future countermeasures: as the Company's primary business and reinvestment of profits are both in a healthy state, debts and loans will be paid off gradually. The company will always pay attention to changes in market interest rates, adjust the financial structure and have optimal capital allocation in a timely manner, in order to minimize the cost of capital for the group and reduce the impact of interest rate changes on the company and its subsidiaries.

2. Foreign exchange rates

(1) The impact on the Company’s profit and loss:

Unit：NT$ thousands

Item／Year	2024	2025
Foreign exchange gain	181,997	67,263
Valuation loss of forward exchange agreement	(7,950)	159,424
Foreign exchange gain, (net)	174,047	226,687
Operating revenues	36,832,049	33,621,801
Income before income tax	315,463	54,661
Foreign exchange gain / Operating revenues（%）	0.5%	0.7%

(2) Future measures: The Company is a professional trading company focusing predominantly on exports trading. For the most recent fiscal year, our exports revenue accounted for approximately 67% of total revenue. We place orders with suppliers as soon as we receive purchase orders from customers. In accordance with the Company's order and sales process, we have adopted a two-way quotation system to shorten the entire order management process and are able to provide quotations that reflect the latest foreign exchange rate trends. In addition, the Company pays close attention to changes of the global economic landscape and fluctuations of foreign exchange rates of major currencies. Our overseas subsidiaries also constantly provide us with local market news and updates, thereby enabling us to make adjustments to our hedging approach.

3.Inflation

Energy and raw material costs are the main drivers of, inflation. While inflation in general has a limited effect on the Company due to the nature of our industry, we will continue to monitor it impact closely..

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company is committed to the development of our primary business and does not engage in high-risk or highly-leveraged investment activities.

Any loans extended by the Company to third parties require approval by the Board and are conducted in compliance with the Company’s Procedure for Extending Loans to Third Parties. The Company provides guarantees to affiliated enterprises that it owns in excess of 50% in equity and to other companies with which it conducts business. The total amount of guarantees and guarantee provided to a single company are well within the allowable limits. We have provided all guarantees in compliance with the Company's Procedure for Providing Guarantees, and they have received prior approval from or are recognized retroactively by the Board. These guarantees are not expected to have a major impact on the Company's financial position.

In addition, with respect to derivatives trading, the Company is an export-oriented trading firm; as such, we engage in hedging measures such as forward foreign exchange and foreign currency option contracts to hedge the risk of exchange rate fluctuations. As option contracts expire, even if the counterparties elect to exercise their contractual obligations, the Company shall conduct settlements with the foreign currency claims that have reached the expiration dates. The market price risk from exchange rate fluctuations and demand for cash in the future have no significant impact on the Company and our counterparties are reputable banks with excellent credit ratings. As a result, the likelihood of credit risk is limited. In addition, the procedure for conducting derivatives trading is compliant with the Company's Procedure for Trading Derivative Instruments, and the amount traded is also within the authorized limits. We also provide monthly reports in accordance with regulations and therefore no significant impact on the Company's financial position is expected.

5.6.3 Future Research & Development Projects and Corresponding Budget: None.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

As the Company exports mainly to the Americas and Europe, there have not been occurrences of major incidents regarding policy or legislative changes in foreign countries in recent years that have had a major impact on the Company's financial position or business operations.

The Company will continue to improve the access to and collection of business intelligence in our major overseas markets in order gain better control of our business operations and financial position. In
addition, the Company's legal department is charged with the responsibility of monitoring major policy and legislative changes at home and abroad in order to be able to propose appropriate response measures for the Company in a timely manner.

5.6.5 Effects of and Response to Changes in Technology and in Industry Relating to Corporate Finance and Sales

The Company has established the B&S Link global electronic trading platform, which employs information technology to streamline supply chain management operations. In order to strengthen the partnerships between Test Rite Group, suppliers and banks as well as to improve the overall value of the supply chain and to create a win-win scenario for all parties involved, Test Rite Group are collaborating with a number of banks and the subsidiary B&S Link to offer a comprehensive, convenient and preferential online financing services program to our suppliers, fully integrating information flow, business flow and cash flow. With this platform, we have pioneered a brand new cross-sector cooperative business model. As a result, we have greater financial resources to expand our business to grow, and at the same time enabling more suppliers to all aspects of business development. There is no significant impact on our company's financial business due to the change of technology including the risk of information security.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

The Company has a reputable corporate image and there has not been any changes that would require enterprise crisis management.

5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

The Company is a trading company and does not own any manufacturing plants following the sale of Tung Lung Metal. We do not have any additional plans to invest in factories.

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

The Company does not have any issues associated with the consolidation of sales or purchasing operations.

5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, or Shareholders with Shareholdings of over 10%

The shareholdings of the Company's directors and supervisors have been stable in the last few years, and there have been no major transfers or changes in shares.

5.6.11 Effects of, Risks Relating to and Response to Changes in Control over the Company

The structure of our principal shareholders is solid, and we have a strong professional Management team. There is minimal risk that a change in control would cause damage to The Company.

5.6.12 Litigation or Non-litigation Matters: None.

5.6.13 Other important risks, and mitigation measures being or to be taken:

During the current fiscal year up to the date of publication of the annual report, there is no known important risk of the Company.

VI. Special Disclosure

6.1 Information on affiliated entities:

Please refer to the Market Observation Post System.

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

6.2 Private Placement Securities in the Most Recent Years: None.

6.3 The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years: None.

6.4 Other Necessary Supplement: None.

6.5 Explanation for significant departures from shareholders' rights provisions for a primary listed or emerging market company: Not applicable.

IX. Any Events in 2025 and as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: None.