Ticker: 8482

Shane Global Holding Inc.

2025 ANNUAL REPORT

Market Observation Post System:https://mops.twse.com.tw

Company website: https://www.shaneglobal.com.tw

Published on April 24, 2026

I. Company Spokesperson and Deputy Spokespersons

Name of spokesperson: Lin, Fang-Yi   Tel: (86)571-5859-2241

Title: Chief Financial Officer   Email: david_lin@shayne.com.tw

Name of acting spokesperson: Jiang, Yun-Ru   Tel: (886)2-7711-1060

Title: Accounting supervisor   Email: ann_chiang@shayne.com.tw

II. Contact Information of Headquarters, Branches, and Plants

(I) The Company

Name: Shane Global Holding Inc.   Tel: (886)2-7711-1060

Shane Global Holding Inc.

Address: P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands

Website: http://www.shaneglobal.com.tw

(II) British Cayman Islands subsidiary

Name: Shayne International Holdings Limited   Tel: (886)2-7711-1060

Address: Governors Square, PO Box 30746, Seven Mile Beach, Grand Cayman, KY1-1203, Cayman Islands

(III) Branch of the subsidiary in the British Cayman Islands

Name: Shayne International Holdings Limited, Taiwan Branch (Cayman)   Tel: (886)2-7711-1060

Address: 2nd floor, No.97, Section 2, Dunhua South Road, Da'an District, Taipei

(IV) British Virgin Islands subsidiary

Name: Shayne Holding Inc.   Tel: (86)571-5859-2241

Address: OMC Chambers, P.O. Box 3152, Road Town, Tortola, British Virgin Islands.

(V) U.S. subsidiary

Name: Spectra Home LLC   Tel: (1)336-885-6001

Address: 328 South King Charles Road, Raleigh, NC 27610 USA

Website: http://spectrahomefurniture.com

Name: Shayne USA, LLC   Tel: (1)415-987-1350

Address: 6780 Depot Street, Suite 140, Sebastopol, CA 95472 USA

Name: JV International, LLC   Tel: (1)704-896-5665

Address: 19425-G Liverpool Parkway, Cornelius, NC 28031 USA

Website: http://palatialfurniture.com/

(VI) Macao subsidiary

Name: Shaye (Macao Commercial Offshore) Limited   Tel: (853)2878-1747

Shayne (Macao Commercial Offshore) Limited

Address: Room B, 5th floor, Edifício Comercial I Tak, No. 126 Beijing street, Macau

(VII) China subsidiaries

Name: Hangzhou Hua Tong Industries Tel: (86)571-5859-2241

Address: Huatong Group, FengChuan Street, Tonglu County, Hangzhou City

Name: Hangzhou Rilong Leather Limited Company Tel: (86)571-6359-1593

Address: Pudong, Dayuan Town, Fuyang City, Zhejiang Province

Name: Hangzhou Ketu Trading Co., Ltd. Tel: (86)571-5859-2241

Address: Huatong Group, FengChuan Street, Tonglu County, Hangzhou City

(VIII) Thailand subsidiary

Name: Shayne Furniture (Thailand) Co., Ltd. Tel: (66)35-902-755

Address: 199 Moo 1 Ban-Wa (Hi-tech) Industrial Estate, Asia-Nakhon Sawan Rd., Km 59-60 Ban-Lane Sub-district, Bangpa-in District, Phanakorn Sri Ayuthaya 13160 Thailand

(IX) Cambodia subsidiary

Name: Shane (Cambodia) Furniture Co., Ltd. Tel: (855)716872687

Address: Street 316A, Tropaing Bun Village and Prey Korkey Village, Prey Korkey Commune, Chan Trea District, Svay Rieng Province.

Name: Xin Huatong (Cambodia) Packaging Co., Ltd. Tel: (855)975540077

Address: Xin Bavet SEZ (St.316 A, Trapaingbon Village and Koki Village Koki Commune, Chantrea District, Svay Rieng Province, Kingdom of Cambodia)

III. Contact Information of Stock Transfer Agency

Name: Stock Transfer and Registrar Department of KGI Securities Tel: (886)2-2389-2999

Address: 5th floor, No.2, Section 1, Chongqing South Road, Zhongzheng District, Taipei Website: http://www.kgi.com

IV. Contact Information of the CPAs for the Latest Financial Statements

Name of CPA: Chang, Keng-Hsi, Liu, Li-Wei Tel: (886)2-2725-9988

Name of Accounting Firm: Deloitte & Touche

Address: 20th floor, No. 100, Songren Road, Xinyi District, Taipei Website: http://www.deloitte.com.tw

V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None.

VI. Company website: http://www.shaneglobal.com.tw

VII. Contact Information of Designated Domestic Agent:

Name of agent: Jiang, Yun-Ru Tel: (886)2-7711-1060

Title: Accounting supervisor Email: ann_chiang@shayne.com.tw

VIII. List of the Board of Directors

Title	Name	Nationality/ place of registration	Key work experience
Chairman	Hsieh, Chih-Tong	R.O.C	Executive Vice President of the Association of Taiwan Investment Enterprises on the Mainland (ATIEM) General Manager of Shayna Garments Ltd. General Manager of Shayna Industries Inc. General Manager of Hangzhou Rilong Leather Limited Company
Director	Hsieh, Shu-Yun	R.O.C	Sales Manager of Hangzhou Hua Tong Industries CFO of Spectra Home LLC
Director	Hsieh, Ming-Yun	R.O.C	Manager of IT Department of Hangzhou Hua Tong Industries
Director	Victor Feng Gao	U.S.A.	Financial Supervisor of General Motors Financial Supervisor of Delphi Corporation Director and Chief Financial Officer of UTStarcom (China) Co., Ltd Chairman and General Manager of Eaton (China) Investment Corp. Managing Director of Sun Capital Partners, Inc. Managing Director of Greater Pacific Capital LLP Managing Director of CDIB Capital
Independent Directors	Kao, Koong-Lian	R.O.C	Professor and Director of Department of Business Management, Soochow University Professor of Department of Business Administration, National Chengchi University Vice Chairman of Research of Development and Evaluation Commission, Executive Yuan Specially-Appointed Deputy Minister of Mainland Affairs Council, Executive Yuan Lecture Professor of Department of Business Administration, Chung Yuan Christian University Visiting scholar of Hoover Institution and Business Research Institution of Stanford University Vice Chairman and Chief Secretary of Straits Exchange Foundation Chairman of Straits Economics & Cultural Interchange Association
Independent Directors	Chen, Ming-Chang	R.O.C	Chairman of the Management Institute in Taipei Consultant of Straits Exchange Foundation General Manager of China Productivity Center Director of Economic Department, Mainland Affairs Council, Executive Yuan Professor and Director of Department of Business Administration, National Chung Hsing University Deputy Director of the Small and Medium Enterprise Administration, Ministry of Economic Affairs Independent Director of Airmate (Cayman) International Co. Limited
Independent Directors	Su, Chi	R.O.C	Director of the Government Information Office Deputy Secretary-General of Office of the President Minister of Mainland Affairs Council, Executive Yuan Convener of the National Security Division, National Policy Foundation Professor of Institute of Diplomacy, National Chengchi University Professor of Mainland China Studies at Tamkang University Legislator (6th Session) in the Legislative Yuan Secretary-General of the National Security Council
Independent Directors	Chen, Ming	R.O.C	Independent Director of Taiwan Sublimation Entertainment Co., Ltd. Director and Supervisor of Taiwan U-Chen Optoelectronics Co., Ltd. Director and General Manager of Taiwan Fuding International Holdings Founder and Chief Financial Officer of Jiangsu Greenling Biotech Co., Ltd. Founder and Chief Financial Officer of Nanjing Xintian Optoelectronics Co., Ltd. Senior Consultant of Kunde (Wujiang) Electronic Components Co., Ltd. Senior Consultant of Shenzhen Diglight Electronics (U.S.A. listed company)

Table of Contents

Chapter 1. Letter to Shareholders

Thank you very much for supporting the Company in the past year.
On behalf of all the management teams of the Company, I would like to express my deepest thanks.
The operating performance of 2025 and the plan for 2026 are summarized as follows:

I. 2025 Operations Report

The year 2025 has been extremely challenging for the Company. Limited by the tariff policies implemented by the new U.S. government and a slowdown in consumer demand due to global inflation, the Company's revenue and net profit in 2025 saw a significant decline compared to the previous year. The U.S. government has initiated a new round of tariff increases on imported furniture. Besides maintaining high tariff rates on goods produced in China, the most significant impact comes from the cancellation of tariff preferences for the Cambodia production base. To maintain long-term orders and customer relationships, the Company has had to adopt a "profit-sharing" strategy, offering varying price discounts to different customers to offset part of the tariff burden, which has directly compressed this year's gross margin performance.

The Company dedicated efforts to optimizing product quality, deepening vertical integration in manufacturing, and making appropriate adjustments to the prices of customized products. Additionally, it actively sought new customers. Looking ahead, facing the changing dynamics of the market, the Company remains committed to navigating through the global furniture market's challenges.

(I) Overview of Implementation of Operation Plan:

1. Business Aspect

Although demand in The United States Market is constrained due to high mortgage rates, the Company continues to maintain a deep strategic partnership with core customers and actively reallocates production capacity. To reduce excessive reliance on the single U.S. market, the Company actively sought orders from Europe's largest retail department store in the second half of 2025, aiming to significantly increase the revenue share from non-U.S. markets by 2026, and establish a more resilient global sales network.

2. Expansion of Business Operations

In-depth transformation of capacity layout:

Despite the tariff increases, Cambodia remains relatively competitive compared to Chinese production bases. In mid-2025, the Company completed the increase in the utilization rate of the Cambodian plant's production line, and the shipment ratio in that area has now increased to over 60%.

Cost Optimization and JIT Production Management:

- Just-In-Time Production: Refine the production process of customized sofas, stabilize delivery schedules, and effectively reduce material waste through automated cutting and warehousing management systems.
- Vertical Integration Advantages: The integrated production advantages of internal foam, wooden frames, and fabric covers partially offset the rise in shipping and raw material costs.

(II) Results of Implementation of Business Plan:

Unit: NT$ thousand

Item	2025		2024	
	Amount	Percentage	Amount	Percentage
Operating revenue	3,424,960	100	3,695,415	100
Operating costs	2,326,972	68	2,423,688	66
Gross operating profit	1,097,988	32	1,271,727	34
Operating Profit	298,294	9	437,984	12
Income before income tax	325,753	10	540,481	15
Net profit	239,502	7	471,403	13
Net profit after tax (excluding non-controlling interests)	242,326	7	468,014	13

(III) Financial Position and Profitability Analysis:

Unit: NT$ thousand

Item		2025	2024
Income statement	Operating revenue	3,424,960	3,695,415
	Gross operating profit	1,097,988	1,271,727
	Income before income tax	325,753	540,481
Profitability	Return on Assets (ROA) (%)	4.98	9.72
	Return on Equity (ROE) (%)	6.90	13.23
	Net profit margin (%)	6.99	12.76
	Earnings per share (NT$)	2.30	4.36

(IV) Budget implementation: the Company does not release its financial forecasts to the public, hence the budget achievement is not reported.

(V) Research and Development (R&D):

The R&D expenditure invested by the Company in 2025 was NT$79,426,000, accounting for approximately 2.32% of the revenue. The main foci of R&D were on the aesthetic appearance of products and the unique variation of models. The Company possesses capabilities of excellent workmanship quality and acute sense of home styles on the market. Augmented by the fact the Company constantly keeps contemporary styles, design uniqueness, user comfort and durability in mind, the Company had unceasingly sought collaboration opportunities with external veteran R&D consultants and outstanding designers in the industry, building on the original R&D foundations and expanding the R&D team to boost the Company's R&D and design capabilities.

II. Summary of 2026 Business Plan and Future Development Strategy

(I) Summary of 2026 business plan and important production and marketing policies

In response to the impact of tariffs and economic fluctuations in 2025, "precision marketing" and "flexible production" will be adopted concurrently in 2026. For key major clients, provide "exclusive design line" services. By leveraging the advantages of JIT (Just-In-Time) production, the Company helps customers reduce inventory costs in exchange for stable order shares; targets high-end chain furniture retailers in the UK, Germany, and Australia to offset the political risks of the single United States market; and extends from indoor sofas to high-end outdoor furniture to explore new growth curves, and continue to maintain industry-leading rapid delivery times.

Through a digital order management system, achieve full process transparency from "order to shipment," enhancing the ability to handle high-end customized orders. Additionally, increase the internal production percentage of foam, wooden frames, and hardware to reduce reliance on external supply chains, thereby controlling costs.

(II) Operation Policy

1. Continue to consolidate the North American market, strengthen the footprint in major global economic markets such as Europe, Japan and China, and strive to reduce the political and economic risks in the North American market.
2. Continue to introduce excellent R&D and design talents, ceaselessly seek collaboration opportunities with renowned designers in the industry, expand R&D team, strengthen joint development and collaboration plans with customers, design products closer to consumers, and bring transformation from OEM to ODM to fruition as soon as possible.
3. Further reinforce and highlight the core competitiveness of mass production for customized orders, and apply the successful model to more brand channels to improve the Company's profit.
4. Unceasingly promote cost control, stabilize product quality, improve production and management systems, and improve operational efficiency.
5. Formulate relevant brand promotion strategies, and production and sales

activities, provide domestic customers with better services and competitive prices through localization efforts, and gradually achieve the goal of operating our own brand.

2026 is a critical moment for the Company. We are no longer merely a manufacturer passively reacting to tariffs but aim to become a provider of furniture system solutions with the capability to manage a global supply chain.

Facing the challenges in 2026, the Company's operational development believes in relying on the continuous improvement spirit of its employees, nurturing rich and close customer relationships, and leveraging its solid competitiveness. With these strengths, the Company is confident in achieving excellent business performance despite the challenges posed by the industry and the international political and economic environment. The Company's management team will also adhere to the principles of stable operation and maximization of shareholders' interests, the goal of sustained profitability, and generate better returns for shareholders and employees.

Lastly, my sincere wishes to all shareholders good health and all the best.

Chairman: Hsieh, Chih-Tong

General manager: Hsieh, Shu-Yun

Chapter 2. Company Introduction

I. Company and Group Introduction

Date established and Group Introduction

Shane Global Holding Inc. (hereinafter referred to as the Company) is a holding company established on September 30, 2014, in the Cayman Islands. The operating subsidiaries of the Company are primarily engaged in the research, development, production, and sale of indoor furniture.

The Company's key operating subsidiaries include Shayne (Macao Commercial Offshore) Limited, primarily responsible for sales; Shayne International Holdings Limited, Taiwan Branch (Cayman); and Hangzhou Hua Tong Industries and Shane (Cambodia) Furniture Co., Ltd., primarily responsible for production.

Group Structure

Please refer to the Information related to affiliated companies under "VII. Special Disclosure" in the annual report.

Risk items

Please refer to the contents of "VI. Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks" in this annual report.

II. Company and Group History

Year	Important Notes
1993	• Founded Hangzhou Rilong Leather Limited Company, mainly focusing on the production and sales of leather garments.
1999	• Mr. Hsieh, Chih-Tong founded Hangzhou Hua Tong Industries (Hangzhou Hua Tong) in Hangzhou.
2002	• Hangzhou Hua Tong established a furniture factory area in Tonglu County, Hangzhou.
2006	• Establishment of Shayne Holding Inc. and Shayne International Holdings Limited. • The second production plant area of Hangzhou Hua Tong has officially commenced operations, with workshops for wooden frame, carving, painting, cutting, sewing, and finished product assembly, forming an independent industrial chain.
2008	• Launched a customized order model
2009	• Establishment of Spectra Home LLC (registered in New York)
2011	• Spectra Home LLC obtained a business license in North Carolina, U.S.A., while establishing JV International, LLC, to expand its retail business in The United States Market.
2012	• Establish a stable business cooperation relationship with large brand merchants in the U.S. furniture industry and enter the ranks of high-end furniture manufacturers. • Establish Ketu Furniture (Shanghai) Co., Ltd.
2013	• Establishment of Shayne USA, LLC, continuing to expand its retail business in The United States Market.

Year	Important Notes
	• Establish Hangzhou Ketu Home Co., Ltd.
2014	• On July 1, 2014, disposed of all equity in Shanghai Lifengxuan Investment Consulting Co., Ltd. and its subsidiaries Shanghai Lifengxuan Industrial Development Co., Ltd. and Shanghai Fengli Industrial Development Co., Ltd., and simultaneously lost control. • Establish Shayne International Holdings Limited, Taiwan Branch (Cayman) • Establish the first primary listing application entity, Shane Global Holding Inc., to carry out organizational restructuring and adjustments. • Issuance of convertible bonds amounting to USD 25,000,000 to bring in strategic financial investor CDIB Capital Asia Partners L.P.
2015	• Hangzhou Hua Tong is expanding its third production plant area. • Acquired Cicenso (Macao Commercial Offshore) Limited and renamed it Shayne (Macao Commercial Offshore) Limited. • Convertible corporate bonds were fully converted into common shares of the Company. • Bringing in external professionals to serve as Independent Directors and establishing an Audit Committee and a Remuneration Committee. • On December 31, 2015, disposed of all equity in Loft-Home, LLC, and simultaneously lost control.
2016	• Hangzhou Ketu Home Co., Ltd. opened a flagship store in Hangzhou, officially entering the domestic sales market in China. • The expansion of Hangzhou Hua Tong's third production plant area is completed. • On June 30, 2016, disposed of all equity in 6757049 Canada Inc., and simultaneously lost control.
2017	• Hangzhou Hua Tong established a fourth plant area to produce hardwood furniture.
2018	• The group was listed on the Taiwan Stock Exchange on August 15, 2018.
2019	• Established Shayne Furniture (Thailand) Co., Ltd. in February 2019.
2020	• Established Shane (Cambodia) Furniture Co., Ltd. in June 2020. • The Board of Directors approved a capital budget in December 2020 to invest an estimated 50 million USD for constructing a factory in Cambodia.
2021	• Established Hangzhou Ketu Trading Co., Ltd. in March 2021. • Established Xin Huatong (Cambodia) Packaging Co., Ltd. in May 2021.
2022	• Shane (Cambodia) Furniture Co., Ltd. began trial production in the second quarter. • Hangzhou Ketu Home Co., Ltd. completed liquidation in September 2022.
2025	• Ketu Furniture (Shanghai) Co., Ltd. completed liquidation in February 2025.

Chapter 3. Corporate Governance Report

I. Information about Directors, President, Vice President, Assistant Vice President, and Head of Department and Branch

(I) Director

1. Information About Directors

April 14, 2026 (book closure date) Unit: 1,000 shares; %

Title	Nationality/ place of registration	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor current shareholding		Shareholding by nominee arrangement		Key work (education) experience	Concurrent positions held in the Company and other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Note
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationship	
Chairman	R.O.C	Hsieh, Chih-Tong	Male 77	2025.6.13	3 years	2014.9.30	Note 1	Note 1	Note 1	Note 1	4,172 (Note 2)	3.88 (Note 2)	56,916 (Note 1)	52.97 (Note 1)	Department of Diplomacy, National Chengchi University Executive Vice President of the Association of Taiwan Investment Enterprises on the Mainland (ATIEM) General Manager of Shayna Garments Ltd. General Manager of Shayna Industries Inc. General Manager of Hangzhou Rilong Leather Limited Company	Director of Cosie Investment Holdings Limited Director of Professional Advantage International Limited Director of Shayne International Holdings Limited Director of Shayne Holding Inc. Executive Director of JV International, LLC Executive Director of Spectra Home LLC Executive Director of Shayne USA, LLC Director of Shayne (Macao Commercial Offshore) Limited Director and General Manager of Hangzhou Hua Tong Industries Director of Hangzhou Rilong Leather Limited Company Supervisor of Hangzhou Ketu Trading Co., Ltd. Director of Shayne Furniture (Thailand) Co., Ltd. Director of Shane (Cambodia) Furniture Co., Ltd. Director of Xin Huatong (Cambodia) Packaging Co., Ltd. Director of Allied Perfection Group Limited Director of Fortune Horizon Global Limited Executive Director of Fengli (Shanghai) Trading Co., Ltd. Director of Zhejiang TongTianXing Group Co., Ltd. Chairman of Shayna Garments Ltd. Executive Director of Hangzhou Hua Tong Agricultural Development Co., Ltd. Director and General Manager of Hangzhou Zhi-Yun Investment Ltd.	Director Director	Hsieh, Shu-Yun Hsieh, Ming-Yun	Father and daughter Father and son	Note 5
Director	R.O.C	Hsieh, Shu-Yun	Female 50	2025.6.13	3 years	2015.1.06	Note 3	Note 3	Note 3	Note 3	-	-	4,000(Note 3)	3.72(Note 3)	Otago University in New Zealand of department of science with Psychology major. Sales Manager of Hangzhou Hua Tong Industries CFO of Spectra Home LLC	CEO of Shayne International Holdings Limited CEO of Shayne Holding Inc. Director or Hangzhou Hua Tong Industries Director of Major Worldwide Development Limited	Chairman Director	Hsieh, Chih-Tong Hsieh, Ming-Yun	Father and daughter Siblings	Note 5

Title	Nationality/ place of registration	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor current shareholding		Shareholding by nominee arrangement		Key work (education) experience	Concurrent positions held in the Company and other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Note
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationship	
Director	R.O.C	Hsieh, Ming-Yun	Male 42	2025.6.13	3 years	2015.1.06	Note 4	Note 4	Note 4	Note 4	-	-	4,000(Note 4)	3.72(Note 4)	Department of Public Administration, National Chengchi University Manager of IT Department of Hangzhou Hua Tong Industries	Chairman and Executive Vice President of Hangzhou Hua Tong Industries Supervisor of Fengli (Shanghai) Trading Co., Ltd Director of Active Industries Worldwide Limited Chairman of Shangrao Dingxin Metal Chemical Co., Ltd. Supervisor of Hangzhou Zhi-Yun Investment Ltd.	Chairman Director	Hsieh, Chih-Tong Hsieh, Shu-Yun	Father and son Siblings	
Director	U.S.A.	Victor Feng Gao	Male 63	2025.6.13	3 years	2020.5.27	-	-	-	-	-	-	-	-	Bachelor of Engineering, Harbin University of Commerce Master of Business Administration, Master of Science in Engineering, University of Maryland at College Park Financial Supervisor of General Motors Financial Supervisor of Delphi Corporation Director and Chief Financial Officer of UTStarcom (China) Co., Ltd Chairman and General Manager of Eaton (China) Investment Corp. Managing Director of Sun Capital Partners, Inc. Managing Director of Greater Pacific Capital LLP Managing Director of CDIB Capital	Partner of Charterhouse Capital Partners LLP	-	-	-	
Independent Directors	R.O.C	Kao, Koong-Lian	Male 82	2025.6.13	3 years	2015.11.24	-	-	-	-	-	-	-	-	Doctor of Business Administration, Louisiana State University, USA Master of Economics, University of Connecticut, USA Master of Business Administration, National Chengchi University Graduate Institute of Business Administration Bachelor of Department of Money and Banking, National Chengchi University Passed the senior financial personnel examination Passed the special examination of the Central Bank Professor and Director of Department of Business Management, Soochow University Professor of Department of Business Administration, National Chengchi University Vice Chairman of Research of Development and Evaluation Commission, Executive Yuan Specially-Appointed Deputy Minister of Mainland Affairs Council, Executive Yuan Lecture Professor of Department of Business Administration, Chung Yuan Christian University Visiting scholar of Hoover Institution and Business Research Institution of Stanford University	Lecture Professor on business management at Department of Business Administration, Soochow University Consultant of the Third Wednesday Club	-	-	-	

Title	Nationality/ place of registration	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor current shareholding		Shareholding by nominee arrangement		Key work (education) experience	Concurrent positions held in the Company and other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Note
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationship	
															Vice Chairman and Chief Secretary of Straits Exchange Foundation Chairman of Straits Economics & Cultural Interchange Association					
Independent Directors	R.O.C	Chen, Ming-Chang	Male 78	2025.6.13	3 years	2015.11.24	-	-	-	-	-	-	-	-	Doctoral program of Department of Business Administration, National Chengchi University National Doctor of Commerce (conferred by the Ministry of Education) Master of Law in Public Administration of National Chengchi University Bachelor of Law in Public Administration of National Chengchi University Consultant of Straits Exchange Foundation General Manager of China Productivity Center Director of Economic Department, Mainland Affairs Council, Executive Yuan Professor and Director of Department of Business Administration, National Chung Hsing University Deputy Director of the Small and Medium Enterprise Administration, Ministry of Economic Affairs Lecture Professor of Nanhua University Independent Director of Airmate (Cayman) International Co. Limited	Chairman of the Management Institute in Taipei Independent Director of Career Consulting Co. Ltd. Advisor of the Cross-Straits Common Market Foundation Independent Director of Anli International Co., Ltd.	-	-	-	
Independent Directors	R.O.C	Su, Chi	Male 77	2025.6.13	3 years	2023.6.16	-	-	-	-	-	-	-	-	Postdoctoral Research at Harvard University in the United States Ph.D. in Political Science from Columbia University in the United States Master's in Russian Studies from Columbia University in the United States Master's degree from Johns Hopkins University in the United States Bachelor's in Department of Diplomacy, National Chengchi University Associate Research Fellow of Institute of International Relations, National Chengchi University Director of the Government Information Office Deputy Secretary-General of the Office of the President Minister of Mainland Affairs Council, Executive Yuan Convener of the National Security Division, National Policy Foundation Professor of Institute of Diplomacy, National Chengchi University Professor of Mainland China Studies at Tamkang University Legislator (6th Session) in the Legislative Yuan Secretary-General of the National Security Council	Honorary Professor of Institute of National Development, National Chengchi University Chairman of the Taipei Forum	-	-	-	
Independent Directors	R.O.C	Chen, Ming	Male 65	2025.6.13	3 years	2025.6.13	-	-	-	-	-	-	-	-	Master's degree from Columbia University in New York, U.S.A. Independent Director of Taiwan Sublimation Entertainment Co., Ltd. Director and Supervisor of Taiwan U-Chen Optoelectronics Co., Ltd.	Founder and Chief Financial Officer of Hong Kong Niba Entertainment Co., Ltd.	-	-	-	

Title	Nationality/ place of registration	Name	Gender Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Spouse & minor current shareholding		Shareholding by nominee arrangement		Key work (education) experience	Concurrent positions held in the Company and other companies	Executives, directors, or supervisors who are spouses or within the second degree of kinship			Note
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationship	
															Director and General Manager of Taiwan Fuding International Holdings Founder and Chief Financial Officer of Jiangsu Greenling Biotech Co., Ltd. Founder and Chief Financial Officer of Nanjing Xintian Optoelectronics Co., Ltd. Senior Consultant of Kunde (Wujiang) Electronic Components Co., Ltd. Senior Consultant of Shenzhen Diglight Electronics (U.S.A. listed company)					

Note 1: Chairman Hsieh, Chih-Tong indirectly holds 56,915,775 shares of the Company through his 100% ownership of Cosie Investment Holdings Limited and his 75% ownership of Professional Advantage International Limited, with a share ownership percentage of 52.97%.

Note 2: The General Manager of Hua Tong Hsieh, Chih-Tong's spouse indirectly holds 4,171,925 shares of the Company through his 25% ownership of Professional Advantage International Limited, with current shareholding ratio of 3.88%..

Note 3: Director Hsieh, Shu-Yun indirectly holds 4,000,000 shares of the Company through Major Worldwide Development Limited, which she holds 100% of the shares, with a shareholding ratio of 3.72%.

Note 4: Director Hsieh, Ming-Yun indirectly holds 4,000,000 shares of the Company through Active Industries Worldwide Limited, which she holds 100% of the shares, with a shareholding ratio of 3.72%.

Note 5: The Company has established the position of CEO to replace the General Manager. The CEO has been deeply engaged in furniture production and marketing management for many years and has rich experience and is suitable for this position, which is conducive to the inheritance and development of the Company. Due to the fact that the Chairman and CEO are first-degree relatives, in order to enhance the Company's checks and balances mechanism and ensure the objectivity and supervisory functions of the Board of Directors, the Company currently has 4 independent directors.

2. Supervisor: Not applicable as the Company has set up an Audit Committee.
3. Major Shareholders of the Institutional Shareholders: Not applicable.
4. Major Shareholders of the Major Shareholders That Are Juridical Persons: Not applicable.
5. Professional Qualifications and Independence Analysis of Directors

<table>
<tr><th>Criteria
Name</th><th>Professional qualifications and experience</th><th>Independence criteria</th><th>Number of other public companies in which the individual is concurrently serving as an independent director</th></tr>
<tr><td>Chairman
Hsieh, Chih-Tong</td><td rowspan="8">Please refer to the annual report for the qualifications and experience of the directors(pages 7-10)

All directors have no condition defined in Article 30 of the Company Act has appeared
Condition defined (Note 1)</td><td rowspan="4">Not applicable</td><td>0</td></tr>
<tr><td>Director
Hsieh, Shu-Yun</td><td>0</td></tr>
<tr><td>Director
Hsieh, Ming-Yun</td><td>0</td></tr>
<tr><td>Director
Victor Feng Gao</td><td>0</td></tr>
<tr><td>Independent Director
Kao, Koong-Lian</td><td rowspan="4">1. As an independent director, has met independence criteria, including but not limited to himself, his spouse, relative within the second degree of kinship, are not serving as director, supervisor or employee of the Company or its affiliated companies;
2. Does not hold the Company's shares;
3. Not serving as a director, supervisor or employee of a company with a specific relationship with the Company;
4. Have not received remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliated companies in the past 2 fiscal years.</td><td>0</td></tr>
<tr><td>Independent Directors
Chen, Ming-Chang</td><td>2</td></tr>
<tr><td>Independent Director
Su, Chi</td><td>0</td></tr>
<tr><td>Independent Directors
Chen, Ming</td><td>0</td></tr>
</table>

Note 1: The following circumstances disqualify a person from serving as a manager, and those who are already serving must be dismissed:

1. Previously convicted of offenses stipulated in the Organized Crime Prevention Act, with a guilty verdict confirmed, which has not been executed, not yet fully executed, or executed and completed, or has completed the probation period or received a pardon within five years.

2. Previously convicted of fraud, breach of trust, or embezzlement, with a sentence of one year or more of imprisonment confirmed, which has not been executed, not yet fully executed, or executed and completed, or has completed the probation period or received a pardon within two years.
3. Previously convicted of offenses under the Anti-Corruption Act, with a guilty verdict confirmed, which has not been executed, not yet fully executed, or executed and completed, or has completed the probation period or received a pardon within two years.
4. Those who have not been reinstated due to bankruptcy declaration or commencement of liquidation proceedings by the court.
5. Those who have been rejected for transactions with using notes and the rejection period has not yet expired.
6. Individuals lacking legal capacity or with restricted legal capacity.
7. Individuals subject to assistance declaration which has not been revoked.

6. Board Members Diversity and Independence

(1) Board Members Diversity:

The composition of the Board of Directors of the Company is based on the "Corporate Governance Best Practice Principles" and considers board member diversity from multiple perspectives, and that appropriate diversification guidelines should be formulated according to their own operation, operation type and development needs, which should include but not limited to the following two criteria:

I. Basic requirements and values: Gender, age, nationality, and culture.

II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing and technology), professional skills, and industry experience.

The "Procedures for Election of Directors" stipulates that the members of the board of directors shall generally have the knowledge, skills and qualities necessary for the performance of their duties, and the abilities they should possess as a whole are as follows:

1. Operation judgment capabilities
2. Accounting and finance analysis capabilities
3. Operation management capabilities
4. Crisis management capabilities
5. Industry knowledge
6. International market view
7. Leadership capabilities
8. Decision making capabilities

The Company has a total of 8 directors, including 4 independent directors, and they possess extensive experience and expertise in the fields of business management, leadership decision-making, industrial knowledge, financial accounting and legal. In the past, when selecting directors, professional capabilities and experiences were the main considerations, and no specific gender ratio requirements were set. Currently, the ratio of female directors is only 12.5%. In the future, female candidates will be given priority during the director nomination process, and the Company will actively seek women professionals with industry experience to join. An internal cultivation program for female talent will be established, strengthening the career development of senior female management to increase the pool of future director candidates. Additionally, the progress of board members diversity will be regularly reviewed. The diversification policy and implementation of the current board members of the Company are shown in the table below:

Name	Nationality	Gender	Concurrently serving as employee of the Company	Age	Finance and accounting	Industry knowledge	Marketing	Business management	International market view	Information technology
Hsieh, Chih-Tong	R.O.C	Male	✓	77		✓	✓	✓	✓	
Hsieh, Shu-Yun	R.O.C	Female	✓	50		✓	✓	✓		
Hsieh, Ming-Yun	R.O.C	Male	✓	42		✓		✓		✓
Victor Feng Gao	U.S.A.	Male		63	✓	✓		✓		
Kao, Koong-Lian	R.O.C	Male		82	✓			✓		
Chen, Ming-Chang	R.O.C	Male		78		✓		✓		
Su, Chi	R.O.C	Male		77				✓	✓	
Chen, Ming	R.O.C	Male		65	✓		✓	✓	✓	✓

(2) Board Members Independence:

There are 8 members of the Company's Fifth Term of Board of Directors, including 4 independent directors, accounting for 50% of the board of directors. The board of directors possess the independence to exercise its functions and powers. The Company has established an Audit Committee composed of all independent directors in December 2015, hence there is no supervisor.

Further, more than half of the board seats shall not have spouses and relatives within the second degree of kinship. Currently, 3 directors are relatives within the second degree of kinship, and does not exceed more than half of the board seats. Based on the foregoing, the members of the board of directors do not have the circumstances stipulated in Article 26-3, paragraphs 3 and 4 of Securities and Exchange Act, and the goals of independence have been achieved.

(II) Information about President, Vice President, Assistant Vice President, and Head of Department and Branch

April 14, 2026 (book closure date) Unit: 1,000 shares; %

Title	Nationality	Name	Gender	Date elected	Shareholding		Spouse & minor shareholding		Shareholding by nominee arrangement		Key work (education) experience	Other position	Managers who are spouses or within the second degree of kinship			Note
					Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationship	
CEO	R.O.C	Hsieh, Shu-Yun	Female	2014.09.30	Note 1	Note 1	-	-	4,000(Note 1)	3.72(Note 1)	Otago University in New Zealand of department of science with Psychology major. Sales Manager of Hangzhou Hua Tong Industries CFO of Spectra Home LLC	CEO of Shayne International Holdings Limited CEO of Shayne Holding Inc. Director or Hangzhou Hua Tong Industries Director of Major Worldwide Development Limited	General Manager of Hua Tong	Hsieh, Chih-Tong	Father and daughter	Note 5
													Deputy General Manager of Hua Tong	Hsieh, Ming-Yun	Siblings	Note 5
Director of Production Department	R.O.C	Chen, Ya-Qing	Female	2015.10.30	-	-	-	-	-	-	Shu-Te Home-Economics & Commercial High School of Kaohsiung City Director of the leather factory of Hangzhou Fulong Co., Ltd Director of the leather factory of Shayna Garments Ltd.	Production Director of Hangzhou Hua Tong Industries Director of Quality Assurance, Shayne International Holdings Limited, Taiwan Branch (Cayman)	-	-	-	
Sales Director	Macau	Li, Cheng-Fa	Male	2015.10.30	-	-	-	-	-	-	University of Saint Joseph, Macau Deputy General Manager of ICBC Macau Senior Manager of Banco de Seng Heng, Macau	General Manager of Shayne (Macao Commercial Offshore) Limited	-	-	-	
CFO/Corporate Governance Officer	R.O.C	Lin, Fang-Yi	Male	2014.09.30	-	-	-	-	-	-	Graduate Institute of Accountancy, NCKU Department of Accounting, Feng Chia University AVP of Deloitte Touche Tohmatsu	Financial Director of Shayne International Holdings Limited Financial Director of Shayne International Holdings Limited, Taiwan Branch (Cayman) Financial Director of Shayne Holding Inc. Financial Director of Shayne (Macao Commercial Offshore) Limited Financial Supervisor of Hangzhou Hua Tong Industries Financial Supervisor of JV International, LLC Financial Supervisor of Shayne USA, LLC	-	-	-	
Director of Audit Department	R.O.C	Li, Shu-Chun	Female	2019.02.18	-	-	-	-	-	-	Department of Accounting and Information Systems of Chang Jung Christian University Team Leader of Deloitte & Touche Deputy Manager of Deloitte Touche Tohmatsu Audit Senior Specialist of FineTek Co., Ltd. Financial Manager of Shane Global Holding Inc.	Audit Supervisor of Shayne (Macao Commercial Offshore) Limited Audit Supervisor of Shayne International Holdings Limited, Taiwan Branch (Cayman) Audit Supervisor of Hangzhou Hua Tong Industries	-	-	-	
General Manager of Hua Tong	R.O.C	Hsieh, Chih-Tong	Male	2021.05.26	Note 2	Note 2	4,172(Note 3)	3.88(Note 3)	56,916(Note 2)	52.97(Note 2)	Department of Diplomacy, National Chengchi University General Manager of Shayna Garments Ltd. General Manager of Shayna Industries Inc. General Manager of Hangzhou Rilong Leather Limited Company	Director of Shayne International Holdings Limited Director of Shayne Holding Inc. Executive Director of JV International, LLC Executive Director of Spectra Home LLC Executive Director of Shayne USA, LLC Director of Shayne (Macao Commercial Offshore) Limited Director and General Manager of Hangzhou Hua Tong Industries Director of Hangzhou Rilong Leather Limited Company Supervisor of Hangzhou Ketu Trading Co., Ltd. Director of Shayne Furniture (Thailand) Co., Ltd. Director of Shane (Cambodia) Furniture Co., Ltd. Director of Xin Huatong (Cambodia) Packaging Co., Ltd.	CEO	Hsieh, Shu-Yun	Father and daughter	-
													Deputy General Manager of Hua Tong	Hsieh, Ming-Yun	Father and son	-
Deputy General Manager of Hua Tong (concurrently serving)	R.O.C	Hsieh, Ming-Yun	Male	2021.05.26	-	-	-	-	4,000(Note 4)	3.72(Note 4)	Department of Public Administration, National Chengchi University Manager of IT Department of Hangzhou Hua Tong Industries	Chairman of Hangzhou Hua Tong Industries	CEO	Hsieh, Shu-Yun	Siblings	-
													General Manager of Hua Tong	Hsieh, Chih-Tong	Father and son	-

Note 1: CEO Hsieh, Shu-Yun indirectly holds 4,000,000 shares of the Company through Major Worldwide Development Limited, which she holds 100% of the shares, with a shareholding ratio of 3.72%.

Note 2: The General Manager of Hua Tong Hsieh, Chih-Tong indirectly holds 56,915,775 shares of the Company through his 100% ownership os Cosie Investment Holdings Limited and his 75% ownership of Professional Advantage International Limited, with his current shareholding ratio of 52.97%.

Note 3: The General Manager of Hua Tong Hsieh, Chih-Tong's spouse indirectly holds 4,171,925 shares of the Company through his 25% ownership of Professional Advantage International Limited, with current shareholding ratio of 3.88%.

Note 4: The Deputy General Manager of Hua Tong Hsieh, Ming-Yun indirectly holds 4,000,000 shares of the Company through Active Industries Worldwide Limited, which she holds 100% of the shares, with a shareholding ratio of 3.72%.

Note 5: The Company has established the position of CEO to replace the General Manager. The CEO has been deeply engaged in furniture production and marketing management for many years and has rich experience and is suitable for this position, which is conducive to the inheritance and development of the Company. Due to the fact that the Chairman and CEO are first-degree relatives, in order to enhance the Company's checks and balances mechanism and ensure the objectivity and supervisory functions of the Board of Directors, the Company currently has 4 independent directors.

II. Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, General Manager, and Deputy General Manager

(I) Remuneration of Directors, Supervisors, General Managers, and Deputy General Mangers

1. Remuneration of Directors and Independent Directors

December 31, 2025 Unit: NT$ thousand; %

Title	Name	Remuneration								Ratio of total remuneration (A+B+C+D) to net income (%)		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) to net income (%) (Note 6)		Compensation from any invested company other than the Company's subsidiary
		Base compensation (A) (Note 1)		Severance pay and pension (B)		Directors' compensation (C) (Note 2)		Business execution expenses (D) (Note 3)				Salary, bonuses, and allowances (E) (Note 4)		Severance pay and pension (F)		Employee compensation (G) (Note 5)						
																The Company		Within the financial statements All companies				
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company	Companies in the financial statements	
Chairman	Hsieh, Chih-Tong	-	-	-	-	613	613	36	36	649; 0.27%	649; 0.27%	-	10,731	-	-	-	-	-	-	649; 0.27%	11,380; 4.70%	None
Director	Hsieh, Shu-Yun	-	-	-	-	613	613	36	36	649; 0.27%	649; 0.27%	-	5,727	-	-	-	-	-	-	649; 0.27%	6,376; 2.63%	None
Director	Hsieh, Ming-Yun	-	-	-	-	613	613	36	36	649; 0.27%	649; 0.27%	-	7,562	-	-	-	-	-	-	649; 0.27%	8,211; 3.39%	None
Director	Victor Feng Gao	-	-	-	-	613	613	30	30	643; 0.27%	643; 0.27%	-	-	-	-	-	-	-	-	643; 0.27%	643; 0.27%	None
Independent Director	Kao, Koong-Lian	600	600	-	-	-	-	36	36	636; 0.26%	636; 0.26%	-	-	-	-	-	-	-	-	636; 0.26%	636; 0.26%	None
Independent Director	Chen, Ming-Chang	600	600	-	-	-	-	36	36	636; 0.26%	636; 0.26%	-	-	-	-	-	-	-	-	636; 0.26%	636; 0.26%	None
Independent Director	Lin, Ting-Tse	300	300	-	-	-	-	18	18	318; 0.13%	318; 0.13%	-	-	-	-	-	-	-	-	318; 0.13%	318; 0.13%	None
Independent Director	Su, Chi	600	600	-	-	-	-	36	36	636; 0.26%	636; 0.26%	-	-	-	-	-	-	-	-	636; 0.26%	636; 0.26%	None
Independent Director	Chen, Ming	300	300	-	-	-	-	18	18	318; 0.13%	318; 0.13%	-	-	-	-	-	-	-	-	318; 0.13%	318; 0.13%	None

1. Please state the remuneration payment policy, system, standard, and structure of independent directors, and the relationship with the amount of remuneration according to the responsibilities, risks, engaged time and other factors:
   (1) The remuneration of the Company's directors is determined based on the percentage stipulated in the Articles of Incorporation and with reference to the results of directors' performance evaluations. The Remuneration Committee reviews the level of directors' participation in and contribution to the Company's operations, establishes a reasonable and fair linkage between performance-related risk and the compensation received, and refers to the Company's operational performance to provide recommendations for resolution by the Board of Directors.
   (2) As resolved by the Company's Remuneration Committee and Board of Directors, the independent directors are primarily received the fixed remuneration and, in principle, do not participate in the directors' remuneration distribution from annual earnings. The remuneration of independent directors includes fixed remuneration for serving as independent directors, members of the Audit Committee, and members of the Remuneration Committee, as well as transportation allowance for attending meetings.
2. Except as otherwise disclosed herein, the directors of the Company have received the remuneration for providing services (such as serving as an advisor in the parent company/companies in the consolidated financial statements/invested company, where are non-employee) in the most recent year: None.

Note 1: It refers to the remuneration of directors in 2025 (including directors' salaries, duty allowance, severance payments, various bonuses, incentives, etc.).

Note 2: It indicates the amount of remuneration of directors in 2025 which was approved by the Board of Directors on March 12, 2025.

Note 3: The directors' professional practicing fees in 2025 (including transportation allowance, special allowance, various allowances, and provision of such tangible objects as dormitory and car, etc.).

Note 4: It means the salary, duty allowance, severance pay, bonus, reward, transportation allowance, special allowance, various allowances, and provision of such tangible objects as dormitory and car received by the directors who acted as employees concurrently (including general manager, deputy general manager, managerial officer, and employee) in 2025.

Note 5: It refers to employee compensation (including stock and cash) received by directors who acted as employees concurrently (including acting as General Manager (Taiwan), Deputy General Manager, other managerial personnel, and employees) in 2025. The disclosure of the amount of employee compensation for 2024 was approved by the Board of Directors on March 13, 2025.

Note 6: The earnings after tax refers to the earnings after tax in 2025. If IFRSs is adopted, the earnings after tax shall refer to the earnings after tax identified in the consolidated financial statement for the most recent year.

* The remuneration contents disclosed in this table are different from the concept of income specified in the Income Tax Act, thus the purpose of this table is for information disclosure only, rather than taxation purpose.

2. Supervisors' Remuneration: The Company has established the Audit Committee, therefore this is not applicable.

3. Remuneration of the General Manager and Deputy General Manager

December 31, 2025 Unit: NT$ thousand; %

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Employee compensation (D) (Note 1)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 2)		Compensation from any invested company other than the Company's subsidiary
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company		Companies in the financial statements		The Company	Companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO	Hsieh, Shu-Yun	-	16,380	-	-	-	468	4,542	-	4,542	-	4,542; 1.87%	21,390 8.83%	None
Director of Production Department	Chen, Ya-Qing													
Sales Director	Li, Cheng-Fa													
Chief Financial Officer	Lin, Fang-Yi													

Table of Range of Remuneration

Range of remuneration	Name of general manager and deputy general manager	
	The Company	Companies in the financial statements
Under NT$1,000,000	Hsieh, Shu-Yun, Li, Cheng-Fa, Lin, Fang-Yi	-
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	-	-
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	-	-
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	Chen, Ya-Qing	Li, Cheng-Fa, Lin, Fang-Yi
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	-	Hsieh, Shu-Yun, Chen, Ya-Qing
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	-	-
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	-	-
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	-	-
NT$5,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	-	-
Over NT$100,000,000	-	-
Total	4	4

Note 1: It refers to employee compensation (including stock and cash) received by directors who acted as employees concurrently in 2025. The disclosure of the amount of employee compensation for 2025 was approved by the Board of Directors on March 12, 2026.

Note 2: The earnings after tax refers to the earnings after tax in 2025. If IFRSs is adopted, the earnings after tax shall refer to the earnings after tax identified in the consolidated financial statement for the most recent year.

4. Employee Bonus Amount Paid to Managerial Officers:

Unit: NT$ thousand

Title	Name	Stock amount	Cash amount	Total	Ratio of total amount to net income (%)
Director of Production Department	Chen, Ya-Qing	-	4,542	4,542	1.87

Note:It refers to the amount of employee compensation for 2024 approved by the Board of Directors.

5. Remuneration of the Top Five Executives of a Listed or OTC Company

December 31, 2025 Unit: NT$ thousand; %

Title (Note 1)	Name	Salary (A) (Note 2)		Severance pay and pension (B)		Bonuses and allowances (C) (Note 3)		Employee compensation (D) (Note 4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 5)		Compensation from any invested company other than the Company's subsidiary
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company		Companies in the financial statements		The Company	Companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO	Hsieh, Shu-Yun	-	5,575	-	-	-	152	-	-	-	-	0; 0%	5,728 2.36%	None
Director of Production Department	Chen, Ya-Qing	-	3,443	-	-	-	25	4,542	-	4,542	-	4,542; 1.87%	8,010 3.31%	None
Sales Director	Li, Cheng-Fa	-	3,371	-	-	-	281	-	-	-	-	0; 0%	3,652 1.51%	None
Chief Financial Officer	Lin, Fang-Yi	-	3,991	-	-	-	9	-	-	-	-	0; 0%	4,000 1.65%	None
Audit Director	Li, Shu-Chun	-	1,650	-	-	-	27	-	-	-	-	0; 0%	1,677 0.69%	None

(II) Compare and explain the proportion of the total amount of remuneration paid to directors, supervisors, general managers, and deputy general managers by the Company and all companies in the consolidated report in the last two years to the net profit after tax of stand-alone or individual financial reports, and explain the policy, standard and combination of remuneration, the procedures for setting remuneration, and the relevance with business performance and future risks.

1. The proportion of the total amount of remuneration paid to directors, supervisors, general managers, and deputy general managers in the net profit after tax in the most recent two years:

Unit: NT$ thousand

Annual remuneration / Role	2025		2024	
	Proportion of the total amount of remuneration paid to the Company's directors, supervisors, general managers, and deputy general managers by the Company and companies in the consolidated report in the net profit after tax in the most recent two years		Proportion of the total amount of remuneration paid to the Company's directors, supervisors, general managers, and deputy general managers by the Company and companies in the consolidated report in the net profit after tax in the most recent two years	
	The Company	Consolidated	The Company	Consolidated
Directors, General Manager, and Deputy General Manager	3.99%	19.86%	3.08%	11.86%

2. The policies, standards, combinations, procedure of decision-making of remunerations, and their relation to business performance and future risk:

The Company has set up a remuneration committee that is responsible for formulating and regularly reviewing performance evaluation and the policies, systems, standards, and structures of remuneration of directors and managers, and at the same time regularly assessing and setting the remuneration of directors and managers; The finance department of the management center is set as the evaluation execution unit set by the Company who uses internal questionnaires to conduct the directors' evaluation of the board of directors' operation, the directors' evaluation of the self participation, the remuneration committee's evaluation of the committee's operation, and the audit committee's evaluation of the committee's operation. The internal questionnaires are divided into four parts: the operation of the board of directors, the participation of directors, the operation of the remuneration committee, and the operation of the audit committee. The above-mentioned performance evaluation results are under the evaluation measures and standards and will be used as a reference for the Company's subsequent election or nomination of directors, and the performance evaluation results of directors and functional committee members will be used as a reference for determining their salaries. And coupled with their positions held in the Company and the value of the degree of participation and contribution to the Company's operations to issue; the remuneration of the general manager and deputy general manager is mainly based on the position, contribution to the Company, and reference to the industry standard, and is handled by the Company's personnel regulations.

The management center finance department of the Company analyzes under the "Self-Evaluation or Peer Evaluation of the Board of Directors," and submits the results to the Board of Directors. In response to directors' suggestions, put forward measures that can be strengthened and improved to reduce future operational risks. In accordance with the provisions of the Regulations, it is appropriate for the Company to disclose in its annual report whether it has established a performance evaluation measure for the board of directors, disclose the implementation of the performance evaluation of the board of directors each year, and explain the evaluation method. The performance evaluation measure formulated by the Company has been fully disclosed on the MOPS and the Company website for inquiries from competent authorities and investors.

III. Implementation of Corporate Governance

(I) Operations of the Board

1. In 2025, the Company’s board meetings were convened 6 times and the attendance of the directors are as follows:

Title	Name	Attendance in person	By proxy	Attendance rate (%)	Note
Chairman	Hsieh, Chih-Tong	6	-	100	Reappointed; Re-elected date: June 13, 2025
Director	Hsieh, Shu-Yun	6	-	100	Reappointed; Re-elected date: June 13, 2025
Director	Hsieh, Ming-Yun	6	-	100	Reappointed; Re-elected date: June 13, 2025
Director	Victor Feng Gao	5	1	83	Reappointed; Re-elected date: June 13, 2025
Independent Directors	Kao, Koong-Lian	6	-	100	Reappointed; Re-elected date: June 13, 2025
Independent Directors	Chen, Ming-Chang	6	-	100	Reappointed; Re-elected date: June 13, 2025
Independent Director	Lin, Ting-Tse	3	-	100	Term ends and dismissed on June 13, 2025.
Independent Directors	Su, Chi	6	-	100	Reappointed; Re-elected date: June 13, 2025
Independent Directors	Chen, Ming	3	-	100	Newly appointed on June 13, 2025.

2. Other matters:

(1) If any of the following events occurred, the dates of the meetings, sessions, summary of proposals, opinions of all the independent directors, and the Company's responses should be specified:

A. Circumstances referred to in Article 14-3 of the Securities and Exchange Act:

As the Company has established an Audit Committee, the provisions of Article 14-3 of the Securities and Exchange Act do not apply. Therefore, please refer to the operation situation of the Audit Committee for matters listed in Article 14-5 of the Securities and Exchange Act.

B. Any recorded or written Board resolutions to which Independent Directors have objections or reservations to be noted in addition to the above: None.

(2) Regarding recusal of directors from voting due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified:

Date	Recusal of director	Motions	Reasons for recusal	Voting
2025/3/13	Hsieh, Chih-Tong, Hsieh, Shu-Yun, Hsieh, Ming-Yun, Victor Feng Gao	2024 directors' remuneration distribution plan	In this case, due to their own interests, the motion regarding individual director's remuneration was recused in accordance with the Articles of Incorporation	Based on the principle of conflict of interest avoidance, all directors voluntarily abstained from participating in the discussion and voting. The proposal was unanimously approved by the attending directors.
	Hsieh, Shu-Yun, Hsieh, Chih-Tong, Hsieh, Ming-Yun	2024 employees' remuneration distribution plan	Recusal from discussion and voting as required by the Article of Incorporation	Based on the Company Act, Directors Hsieh, Chih-Tong and Hsieh, Ming-Yun are second-degree blood relatives of Director Hsieh, Shu-Yun, and are considered to have a personal interest in the resolution. Therefore, the three directors will recuse themselves according to the Articles of Incorporation. Approved by the unanimous decision of the other directors present.
2025/11/12	Hsieh, Chih-Tong, Hsieh, Shu-Yun, Hsieh, Ming-Yun, Victor Feng Gao	Performance evaluation of directors (except independent directors) in 2025 and remuneration of directors (except independent directors) in 2025	In this case, due to their own interests, the motion regarding the director's remuneration was recused in accordance with the Articles of Incorporation	Based on the principle of conflict of interest avoidance, all directors voluntarily abstained from participating in the discussion and voting. The proposal was unanimously approved by the attending directors.
	Kao, Koong-Lian, Chen, Ming-Chang, Lin, Ting-Tse	Performance evaluation of independent directors in 2025 and remuneration of independent directors in 2026	In this case, due to their own interests, the motion regarding the independent director's remuneration was recused in accordance with the Articles of Incorporation	Based on the principle of conflict of interest avoidance, all Independent Directors voluntarily abstained from participating in the discussion and voting. The proposal was unanimously approved by the attending directors.
	Hsieh, Shu-Yun, Hsieh, Chih-Tong, Hsieh, Ming-Yun	The Company's performance evaluation of managers in 2025 and remuneration in 2026	Recusal from discussion and voting as required by the Article of Incorporation	Based on the Company Act, Directors Hsieh, Chih-Tong and Hsieh, Ming-Yun are second-degree blood relatives of Director Hsieh, Shu-Yun, and are considered to have a personal interest in the resolution. Therefore, the three directors will recuse themselves

Date	Recusal of director	Motions	Reasons for recusal	Voting
				according to the Articles of Incorporation. Approved by the unanimous decision of the other directors present.

(3) TWSE/TPEx listed companies shall disclose the information of self-evaluation (or peer evaluation) of the Board of Directors, such as evaluation cycle, period, scope, method, and contents:

Frequency	Period	Scope	Method	Content
Once a year	2025/01/01~2025/12/31	Individual directors	Self-evaluation by the directors	Individual director performance evaluation: 1. Execution of the Company's goals and tasks 2. Understanding of the director's roles and responsibilities 3. Participation in the Company's operation 4. Management and communication of the internal relations 5. Expertise and continuing education of the directors 6. Internal control.
Once a year	2025/01/01~2025/12/31	Functional Committees	Internal self-evaluation of the Functional Committees	Performance evaluation of Functional Committees: 1. Participation in the Company's operation 2. Awareness of the duties of the Functional Committees 3. Improving Functional Committees' decision-making quality 4. Composition of Functional Committees, and election and appointment of committee members 5. Internal control
Once a year	2025/01/01~2025/12/31	Board of Directors	Internal self-evaluation by the board of directors	Board performance evaluation 1. Participation in the Company's operation 2. Board's decision making quality 3. Composition and structure of the Board 4. Selection and continuing education of the directors 5. Internal control

(4) Measures taken to strengthen the functionality of the Board in the current and the latest year (e.g. establishing the Audit Committee, enhancing information transparency), and implementation status:

A. The Board of Directors operates in accordance with the "Rules of Procedures for the Board of Directors Meeting"and is in good standing in accordance with this code.

B. Important resolutions were published on MOPS immediately after the board meeting to safeguard the rights and interests of shareholders. A dedicated personnel is responsible for the collection and disclosure of the Company's information, to ensure that all material information is disclosed in a timely and allowable manner, and that the information on the Company's website is updated for the reference of shareholders and stakeholders to the Company's finances, business and other relevant information.

C. The Company has set up an Audit Committee and a Remuneration Committee to strengthen the corporate governance function of the Board of Directors.

D. The annual continuing education training hours of the directors of the Company were in compliance with the regulations of the competent authority. The Company encouraged relevant members of the board of directors to participate in various professional courses to continuously enrich new knowledge, to maintain their professional advantages and abilities, and the Company publicized relevant laws and regulations to comply with the laws and regulations.

E. The Company has formulated the"Self-Evaluation or Peer Evaluation of the Board of Directors" and would draw up plans for improvement after each annual appraisal to further strengthen the operation efficiency of the board of directors. The Board of Directors has evaluated the performance of the board in 2025 in accordance with the "Self-Evaluation or Peer Evaluation of the Board of Directors."The evaluation results are as follows and submitted to the Board of Directors on March 12, 2026.
Evaluation Period：January 1, 2025 - December 31, 2025

(a) The average overall score for the members of the board is 100 points, and the average scoring result is 85.56 points.

(b) The average overall score for the members of the functional committees is 100 points, and the average scoring result is 89 points.

(c) The overall score for the board is 100 points, and the scoring result is 85 points.

The above evaluation results represent a certain degree of agreement between the independent directors and the general directors with the current operation of the Company's board of directors.

(II) Operation of Audit Committee

1. In order to improve the supervision responsibility of the Board of Directors and strengthen the management mechanism of the Board of Directors, the Company established an Audit Committee on December 23, 2015, which is composed of all independent directors, and meeting is held at least once a quarter. The main deliberations of the Audit Committee this year include:

- Review quarterly reports
- Formulate or revise the internal control system and relevant important measures
- Effectiveness assessment of internal control system

- Major capital loans, endorsements or guarantees
- Change of accounting supervisor
- Appointment of Certified Public Accountant
- Evaluation of the independence and competence of Certified Public Accountant
- Self evaluation of Audit Committee performance
- Proposal on annual business report and earnings distribution

A total of six Audit Committee meetings were held in 2025. The attendance of the independent directors was as follows:

Title	Name	Attendance in person	By proxy	Attendance rate (%)	Note
Independent Director	Kao, Koong-Lian	6	-	100	Reappointed; Re-elected date: June 13, 2025
Independent Directors	Chen, Ming-Chang	6	-	100	Reappointed; Re-elected date: June 13, 2025
Independent Directors	Lin, Ting-Tse	3	-	100	Term ends and dismissed on June 13, 2025.
Independent Directors	Su, Chi	6	-	100	Reappointed; Re-elected date: June 13, 2025
Independent Directors	Chen, Ming	3	-	100	Newly appointed on June 13, 2025.

2. Other matters:

(1) With regard to the implementation of the Audit Committee, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, objections, qualified opinions or content of major suggestions from independent directors, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified:

A. Circumstances referred to in Article 14-5 of the Securities and Exchange Act: details as per table below.

Date of Audit Committee meeting	Major resolutions (Article 14-5 of the Securities and Exchange Act)	opinions of the Independent Directors
The Fourth Board of Directors 14th Meeting January 15, 2025	1.The subsidiary of the Company, Shayne International Holdings Limited, intends to increase capital for its sub-subsidiary, Shane (Cambodia) Furniture Co., Ltd.	None
	Audit Committee resolution result: Approved by the unanimous decision of the committee members present.	
	The Company's handling of the opinions of the Audit Committee: Approved by the unanimous decision of all directors present.	
The Fourth	1.2024 Business Report and Consolidated Financial	None

Board of Directors 15th Meeting March 13, 2025	Statements.	
	2.Approval for 2024 internal control system statement.	None
	3.Establishment of "General Principles for Pre-approval of Non-assurance Service Policies".	None
	4.Evaluation of the independence and competence, and appointment of Certified Public Accountant for 2025..	None
	5.The sub-subsidiary of the Company, Shayne (Macao Commercial Offshore) Limited, is applying for a guaranteed letter of credit from the bank, and the sub-subsidiary, Hangzhou Hua Tong Industries, intends to use its property as collateral and provide endorsement and guarantee.	None
	Audit Committee resolution result: Approved by the unanimous decision of the committee members present.	
	The Company's handling of the opinions of the Audit Committee: Approved by the unanimous decision of all directors present.	
The Fourth Board of Directors 16th MeetingMay 13, 2025	1. Consolidated financial statements for the 1st quarter of 2025.	None
	Audit Committee resolution result: Approved by the unanimous decision of the committee members present.	
	The Company's handling of the opinions of the Audit Committee: Approved by the unanimous decision of all directors present.	
The Fifth Board of Directors 1st MeetingJune 13, 2025	1. Election of the Convener and Meeting Chair of the Audit Committee.	
	Audit Committee resolution result: approved by the unanimous decision of the committee members present.	
	The Company's handling of the opinions of the Audit Committee: Approved by the unanimous decision of all directors present.	
The Fifth Board of Directors 2nd MeetingAugust 27, 2025	1. Consolidated financial statements for the 2nd quarter of 2025.	None
	2. As of the end of June 2025, the Company's subsidiary's accounts receivable that exceed the normal credit period of three months are proposed to be classified as non-fund lending cases.	None
	3. Amendment to the Company's "Procedures for Loan of Funds to Others".	None
	4. Establishment of the Company's "Procedures for the Preparation and Declaration of Sustainability Reports."	None
	5. The Company provides endorsement and guarantee for the financing of the subsidiaries with banks.	None
	6. The Company's financing with banks.	None
	Audit Committee resolution result: Approved by the unanimous decision of the committee members present.	
	The Company's handling of the opinions of the Audit Committee: Approved by the unanimous decision of all directors present.	

<table>
<tr><td rowspan="5">The Fifth Board of Directors The Fifth Board of Directors 3rd Meeting November 12, 2025</td><td>1. Consolidated financial statements for the 3rd quarter of 2025.</td><td>None</td></tr>
<tr><td>2. As of the end of September 2025, the Company's subsidiary's accounts receivable that exceed the normal credit period of three months are proposed to be classified as non-fund lending cases.</td><td>None</td></tr>
<tr><td>3. Amendment to the Company's "Procedures for Loan of Funds to Others".</td><td>None</td></tr>
<tr><td colspan="2">The Company's handling of the opinions of the Audit Committee: Approved by the unanimous decision of all directors present.</td></tr>
<tr><td colspan="2">Resolution result: Approved by the unanimous decision of the committee members present.</td></tr>
</table>

B. Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all Directors: None.

(2) Regarding recusals of Independent Directors from voting due to conflicts of interests, the names of the Independent Directors, contents of motions, reasons for recusal, and results of the voting shall be specified: The Company has none of the above circumstances.

(3) Communications between the Independent Directors, the Company's chief internal auditor, and CPAs (shall include the material items, methods, and results of audits of corporate finance or operations, etc.):

A. The Audit Committee of the Company is composed of all Independent Directors. The audit supervisor of the Company regularly reports to the Independent Directors on significant audit matters and audit results of the Company and its domestic and overseas subsidiaries, communicating the results of the audit report and the follow-up report with the committee members. In case of major audit findings, they can also communicate directly by email or telephone.

B. From time to time, the Company invites the CPAs to attend the Audit Committee as a nonvoting member to report to the Independent Directors on the group's financial statement review or audit results, internal control audit, and related financial proposals. In addition, the Company provides the contact channel between the Independent Directors and the CPAs, which can be consulted by the Independent Directors at any time.

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
I. Does the Company establish and disclose the Corporate Governance Best-Practice Principles according to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has formulated the Corporate Governance Best-Practice Principles in accordance with Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies. And we have operated and implemented relevant corporate governance regulations in accordance with the spirit of corporate governance. In the future, we will promote corporate governance by revising relevant management measures, enhancing information transparency, and strengthening the functions of the board of directors.	No material difference
II. Shareholding Structure and Shareholders' Equity				
(I) Did the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure?	V		(I) The Company has appointed a dedicated stock affairs agency in Taiwan to handle stock affairs, and has set up a spokesperson and deputy spokesperson to deal with shareholders' suggestions, concerns, and disputes.	No material difference.
(II) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	V		(II) In accordance with the provisions of the Securities and Exchange Act, the Company reported the changes in shareholding of insiders, inclusive of directors, managers, and shareholders with more than of the 10% shares, on the MOPS every month in accordance with regulations,	No material difference.

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			and monitored such information regularly.	
(III) Does the Company establish and execute a risk management and firewall system within its affiliated companies?	V		(III) The Company has formulated the "Regulations on Transactions between Group Companies, Specific Companies, and Related Parties" and the "Subsidiary Supervision and Management Regulations" as control mechanisms.	No material difference.
(IV) Does the Company establish internal rules against insiders using undisclosed information to trade with?	V		(IV) The Company has formulated the "Measures for Preventing Insider Trading" and "Processing Procedures for Significant Internal Information," to prohibit company insiders from using undisclosed information on the market to buy and sell securities and regularly promotes and educates the insiders.	No material difference.
III. Composition and responsibilities of the Board of Directors				
(I) Does the Board formulate diversity policies, specific management goals and implement them for the composition of its members?	V		(I) The Company's Corporate Governance Best Practice Principles stipulates that the composition of directors should be diversified, and that appropriate diversification guidelines should be formulated according to their own operation, operation type and development needs, which should include but not limited to the following two criteria: I. Basic requirements and values: Gender, age, nationality, and culture. II. Professional knowledge and skills: A professional	No material difference.

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			background (e.g., law, accounting, industry, finance, marketing and technology), professional skills, and industry experience. The Company's "Procedures for Election of Directors" stipulates that the members of the board of directors shall generally have the knowledge, skills and qualities necessary for the performance of their duties, and the abilities they should possess as a whole are as follows: 1. Operation judgment capabilities 2. Accounting and finance analysis capabilities 3. Operation management capabilities 4. Crisis management capabilities 5. Industry knowledge 6. International market view 7. Leadership capabilities 8. Decision making capabilities The nomination and selection of members of the Board of Directors of the Company are carried out in accordance with the provisions of the Company's Articles of Incorporation, using a candidate nomination system. In addition to evaluating the qualifications and experiences of each candidate, we also consider the opinions of stakeholders, and adhere to the "Regulations on the Election of Directors and Supervisors" and "Corporate Governance Principles" to ensure the diversity and independence of the	

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			board members. Among the current 8 board members of the Company: Including 4 directors and 4 independent directors, with extensive experience in the fields of financial accounting, industrial technology, and business management. They are able to provide professional opinions in different areas, enhancing the Company's operational performance and management efficiency.	
(II) In addition to Salary and Remuneration Committee and Audit Committee established according to law, has the Company voluntarily established other functional committees?		V	(II) The Company currently has no need to establish other functional committees; in the future, the establishment will be evaluated according to actual needs.	In the future, other functional committees will be set up according to the actual needs.
(III) Has the Company established standards to measure the performance of the Board, and does the Company implement such annually? Does it report the results of the performance evaluation to the BOD and use them as a reference for each Director's remuneration and nomination of term renewal?	V		(III) The Board of Directors of the Company has approved the "Self-Evaluation or Peer Evaluation of the Board of Directors," where evaluation on performance of the board of directors and functional committees (including the Remuneration Committee and the Audit Committee) are conducted at least once a year, and the evaluation results are submitted to the Board of Directors. At the end of each year, the Board of Directors is responsible for the implementation and coordination of the evaluation process, which is carried out through internal self-evaluation and self-evaluation of board members and functional committees. The scope of evaluation includes the performance evaluation of the	No material difference.

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			overall board of directors, individual members of directors, Remuneration Committee and Audit Committee The performance evaluation criteria of the board of directors and functional committees of the Company mainly include (1) the degree of participation in the operation of the Company, (2) the improvement of the decision-making quality of the board of directors and functional committees, (3) the composition and structure of the board of directors and functional committees, (4) the selection and continuous learning of directors and functional committee members, and (5) internal control. The evaluation results are reported to the board of directors and used as the salary and remuneration of individual directors or the basis for the nomination of directors. The Company completed the performance evaluation of the board of directors, board members and functional committees (Audit Committee and Remuneration Committee) in February 2026, and the results of the 2025 performance evaluation were excellent, and it was reported and disclosed to the board of directors on March 12, 2026 on the Company's website.	
(IV) Does the Company regularly evaluate the independence of the CPAs?	V		(IV) The Company evaluates the independence and competence of Certified Public Accountants annually. The Company, taking into account of the independence stipulated in Article 47 of the Certified Public Accountant Act and content of	No material difference.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>Bulletin No. 10 for Code of Professional Ethics "Integrity, Objectivity and Independence," has formulated an evaluation form for the independence, professionalism and competence (note 1) of certified accountants and required obtaining a "CPA's Independence Declaration" and "Audit Quality Indicators Report (AQIs report)" issued by the CPA.
After confirming that the CPA and the Company have no financial interests or business relationships other than the fees for auditing and tax matters, and referring to the AQIs indicator information, it is confirmed that the CPA and their firm have superior audit experience and training hours compared to the industry average.
The evaluation results of the independence and competence of CPAs in 2026 was discussed by the Audit Committee on March 12, 2026 and submitted to the Board of Directors for resolution March 12, 2026.
Note 1: The assessment form of the independence, competence and suitability of Certified Public Accountants
<table>
<tr><th rowspan="2">Assessment items of independence, competence and suitability</th><th colspan="2">Whether there are following circumstances</th></tr>
<tr><th>Yes</th><th>No</th></tr>
<tr><td>There is no direct or material indirect financial interest between the CPA and the Company.</td><td>V</td><td></td></tr>
<tr><td>Whether there is any inappropriate conflict of</td><td>V</td><td></td></tr>
</table>
</td><td></td></tr>
</table>

Evaluation item	Implementation status						Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description				
				interest between the CPA and the Company.			
				The CPA has not engaged in any financial transactions with the Company.	V		
				The CPA did not receive any commission related to the business.	V		
				The CPA and all members of the audit service team do not hold any shares of the Company.	V		
				The CPA does not hold a concurrent position in the Company and receives a fixed salary.	V		
				The CPA has no joint investments or profit-sharing relationships with the Company.	V		
				Whether the appointment for assurance services has not been renewed for seven years.	V		
				Whether an independent statement issued by the CPA is obtained annually.	V		
				Whether there have been any disciplinary actions taken by the competent authorities and the CPA Associations, or any sanctions imposed under Paragraph 3, Article 37 of the Securities and Exchange Act.	V		
				Whether the quality and timeliness of audit and tax services meet the requirements.	V		
				Whether the CPA maintains good communication with the Company's management and Board of Directors.	V		
				Did the CPA provide positive recommendations and record them regarding the Company's system and internal control audit?	V		
				Whether there is regular proactive updating to the Company regarding tax regulations, securities regulations, and newly revised IFRS	V		

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>accounting standards.</td><td></td><td></td></tr>
<tr><td>Whether there is stability among the members of the audit service team.</td><td>V</td><td></td></tr>
<tr><td>Whether there is evaluation of supervising various risks existing or potentially present in the Company.</td><td>V</td><td></td></tr>
<tr><td>Whether it is reasonable to compare public fees with those of the same industry.</td><td>V</td><td></td></tr>
</table></td><td></td></tr>
<tr><td>IV. Does the Company established a full- (or part-) time corporate governance unit or personnel to oversee corporate governance affairs(including but not limited to furnish information required for business execution by directors, handle matters relating to board meetings and shareholders' meetings according to laws, handle corporate registration and amendment registration, produce minutes of boardmeetings and shareholders' meetings, etc.)?</td><td>V</td><td></td><td>The Company has appointed a corporate governance officer responsible for providing necessary information for Directors to execute their duties, handling matters related to Board of Directors and shareholders' meetings in accordance with the law, handling corporate registration and amendment registration, and managing the minutes of Board and shareholders' meetings. The company governance executive participates in relevant professional development courses every year as required, in order to enhance their business management expertise and comply with regulatory requirements.</td><td>No material difference.</td></tr>
<tr><td>V. Has the Company established communication channels for its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) or created a stakeholders section on its corporate website? Does the Company promptly respond to the concerns of stakeholders regarding important corporate social responsibility issues?</td><td>V</td><td></td><td>The Company has established stakeholder communication channels, set up a stakeholder section on the Company website, and provided a dedicated contact window; stakeholders can fully express their concerns through these channels.</td><td>No material difference.</td></tr>
<tr><td>VI. Does the Company appoint a professional shareholder</td><td>V</td><td></td><td>The Company has appointed the Stock Transfer Agency</td><td>No material difference.</td></tr>
</table>

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
service agency to handle shareholder affairs?			Department of KGI Securities as the stock affairs agency to handle the stock affairs-related affairs.	
VII. Information disclosure				
(I) Did the Company establish a website to disclose information on financial operations and corporate governance?	V		(I) The Company has established a corporate website that fully discloses information on financial operations and corporate governance.	No material difference.
(II) Did the Company adopt other means of information disclosure (such as establishing an English language website, delegating a professional to collect and disclose company information, implement a spokesperson system, and disclosing the process of investor conferences on the Company website)?	V		(II) The Company has established an official corporate website with an interface available in Traditional Chinese and English; dedicated personnel are responsible for the collection and disclosure of various information. The Company has also appointed a spokesperson and deputy spokesperson in accordance with the regulations. In addition to having an English page, the process of corporate briefings can be viewed and accessed on the Company's website.	No material difference.
(III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year? Does it announce and declare the first, second, and third quarter financial reports and operating conditions of each month as soon as possible before the prescribed period?		V	(III) The Company shall complete the announcement and declaration of annual and quarterly financial reports within the time limit prescribed by law and order, and report the operation of each month on a monthly basis.	In the future, we will evaluate whether to announce in advance according to the situation.
VIII. Is there any other important information that facilitates a better understanding of the Company's corporate	V		(I) Employee rights and employee care: The Company has always protected the rights and interests of employees. In	No material difference.

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
governance practices (e.g. including but not limited to employee rights, employee wellbeing, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation standards, the implementation of customer policies, and purchasing of liability insurance for directors and supervisors)?			addition to good welfare measures, it has also strengthened the establishment of interactive communication and provided multiple channels of appeal. (II) Investor Relations: The Company convenes the shareholders' meeting in accordance with the law to maintain smooth communication channels with investors and safeguard their legitimate rights and interests. (III) Supplier relationship: The Company establishes partnerships with suppliers according to the principle of equality and reciprocity, establishes a stable supply chain, and conducts audits from time to time to confirm supply quality. (IV) Stakeholder relations: Stakeholders can communicate and make recommendations to the Company to safeguard their legal rights. (V) Continued studies by directors and supervisors: The Company's directors have industry and professional backgrounds and management experiences. They also participate in continued studies from time to time. (VI) Implementation of risk management policies and risk measurement standards: The Company has established an internal control system and relevant management methods, and the internal audit unit regularly and irregularly checks the implementation of the internal	

Evaluation item	Implementation status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			control system to prevent various risks. (VII) Implementation of customer policy: The Company and customers are maintaining smooth communication channels, maintain a stable good relationship, in order to create company profits. (VIII) The directors of the Company have all completed the required continuing education training hours and constantly stay informed about corporate governance-related information. (See attached notes for details) (IX) The Company's situation regarding the purchase of directors and supervisors' liability insurance: The Company has purchased liability insurance for Directors and has reported to the Board of Directors the important details of the insurance, including the insured amount, coverage, and insurance rates.	
IX. Please specify the Company's measures to improve the items listed in the corporate governance review result by Taiwan Stock Exchange's Corporate Governance Center and the improvement plans for items yet to be improved. According to the Company's corporate governance self-assessment results in 2025, there is no significant difference. In 2025, we will still focus on improving equal dealing of shareholders, implementing corporate social responsibility, improving information transparency, and continuously strengthening the performance of the board of directors to improve the functions of the board of directors; handling corporate governance evaluation to shape corporate governance culture; establishing and perfecting the connected platform of stakeholders, improving the quality of disclosure of non-financial information, and strengthening corporate governance information.				

Note: Information on the Company's Directors' Further Education in 2025

Title	Name	Training date	Organizer	Course title	Hours
Chairman	Hsieh, Chih-Tong	2025/11/12	Taiwan Corporate Governance Association	How directors review financial reports	3
		2025/11/12	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies	3
Director	Hsieh, Shu-Yun	2025/11/12	Taiwan Corporate Governance Association	How directors review financial reports	3
		2025/11/12	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies	3
Director	Hsieh, Ming-Yun	2025/11/12	Taiwan Corporate Governance Association	How directors review financial reports	3
		2025/11/12	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies	3
Director	Victor Feng Gao	2025/11/12	Taiwan Corporate Governance Association	How directors review financial reports	3
		2025/11/12	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies	3
Independent Director	Kao, Koong-Lian	2025/11/12	Taiwan Corporate Governance Association	How directors review financial reports	3
		2025/11/12	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies	3
Independent Director	Chen, Ming-Chang	2025/11/12	Taiwan Corporate Governance Association	How directors review financial reports	3
		2025/11/12	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies	3
Independent Director	Su, Chi	2025/11/12	Taiwan Corporate Governance Association	How directors review financial reports	3
		2025/11/12	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies	3
Independent Director	Chen, Ming	2025/11/12	Taiwan Corporate Governance Association	How directors review financial reports	3
		2025/11/12	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainable Disclosure Standards and Corresponding Corporate Response Strategies	3
		2025/10/09	Accounting Research and Development Foundation of the Republic of China	Analysis of IFRS 18 "Presentation and Disclosure in Financial Statements" Standard and Practice	6

(IV) Establishment, Composition, Duties and Operation Status of Remuneration Committee or Nomination Committee, If Any:

1. Information on the Members of the Remuneration Committee

December 31, 2025

<table>
<tr><th>Role</th><th>Name</th><th>Criteria
Professional qualifications and experience</th><th>Independence criteria</th><th>Number of other public companies in which the individual is concurrently serving as a Remuneration Committee member</th></tr>
<tr><td>Independent Director (convener)</td><td>Chen, Ming-Chang</td><td>Possess more than two decades of professional qualifications and work experience in business management and industry, and not been a person of any conditions defined in Article 30 of the Company Act. Article 30 of the Company Act.</td><td rowspan="4">1. As an independent director, has met independence criteria, including but not limited to himself, his spouse, relative within the second degree of kinship, are not serving as director, supervisor or employee of the Company or its affiliated companies;
2. Does not hold the Company's shares;
3. Not serving as a director, supervisor or employee of a company with a specific relationship with the Company;
4. Have not received remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliated companies in the past 2 fiscal years.</td><td>1</td></tr>
<tr><td>Independent Director</td><td>Kao, Koong-Lian</td><td>Possess more than two decades of professional qualifications and work experience in business management and accounting, and not been a person of any conditions defined in Article 30 of the Company Act.</td><td>None</td></tr>
<tr><td>Independent Director</td><td>Su, Chi</td><td>Possess more than two decades of professional qualifications and work experience in business management, and domestic and international industry, and not been a person of any conditions defined in Article 30 of the Company Act.</td><td>None</td></tr>
<tr><td>Independent Director</td><td>Chen, Ming</td><td>Possess more than two decades of professional qualifications and work experience in business management, and international markets, and not been a person of any conditions defined in Article 30 of the Company Act.</td><td>None</td></tr>
</table>

2. Operations of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 4 members.

(2) Term of office of the current committee members: from June 13, 2025, to June 12, 2028, the Remuneration Committee of the Company convened three times in 2025, and the

qualifications and attendance of the members are as follows:

Title	Name	Attendance in person	By proxy	Attendance rate (%)	Note
Convener	Chen, Ming-Chang	3	-	100	Reappointed; Re-elected date: June 13, 2025
Committee Member	Kao, Koong-Lian	3	-	100	Reappointed; Re-elected date: June 13, 2025
Committee Member	Lin, Ting-Tse	1	-	100	Term ends and dismissed on June 13, 2025.
Committee Member	Su, Chi	3	-	100	Reappointed; Re-elected date: June 13, 2025
Committee Member	Chen, Ming	2	-	100	Newly appointed on June 13, 2025.

3. Other matters:

(1) If the Board of Directors refuses to adopt or amend a recommendation of the remuneration committee, the date of the meeting, session, the content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified) shall be specified: None.

(2) If there were resolutions of the remuneration committee to which members objected or expressed reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.

(3) Record of Remuneration Committee Meetings

Remuneration Committee	Proposal and follow-up items	Resolution	The Company's treatment of the Remuneration Committee's opinion
The Fourth Remuneration Committee 7th Meeting March 13, 2025	1. 2024 directors' remuneration distribution plan.	Approved by the unanimous decision of all directors present after consultation by the Chairman	Reported to the Board of Directors and approved by all the directors present
	2. 2024 employees' remuneration distribution plan.	Approved by the unanimous decision of all directors present after consultation by the Chairman	Reported to the Board of Directors and approved by all the directors present
The Fifth Board of Directors 1st Meeting June 13, 2025	1. Election of the Convener and Meeting Chair of the Remuneration Committee.	Approved by the unanimous decision of all directors present after consultation by the Chairman	Reported to the Board of Directors and approved by all the directors present
The Fifth Board of	1.Review and evaluate the Management Measures for the	Approved by the unanimous decision of	Reported to the Board of Directors

Remuneration Committee	Proposal and follow-up items	Resolution	The Company's treatment of the Remuneration Committee's opinion
Directors 2nd Meeting November 12, 2025	Remuneration of Directors and Managers.	all directors present after consultation by the Chairman	and approved by all the directors present
	2.Approved the performance evaluation of general directors in 2025 and remuneration of general directors in2026.	Approved by the unanimous decision of all directors present after consultation by the Chairman	Reported to the Board of Directors and approved by all the directors present
	3.Approved the performance evaluation of independent directors in 2025 and remuneration of independent directors in 2026.	Proposal was submitted to the board of directors for referendum (independent directors recused from discussion and voting) after the Chairman inquired the consent of all directors present.	Reported to the Board of Directors and approved by all the directors present (independent directors recused from discussion and voting)
	4.Approved the performance evaluation of managers for 2025 and their remuneration for 2026.2025 2026.	Approved by the unanimous decision of all directors present after consultation by the Chairman	Reported to the Board of Directors and approved by all the directors present

4. Nomination Committee: Not applicable as the Company has not established a Nomination Committee.

(V) Implementation Status of Driving Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Evaluation item	Implementation status			Deviations from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
I. Has the Company conducted risk evaluations on environmental, social, and corporate governance issues related to company operations based on the materiality principle?	V		The Company is currently implementingsustainable development through the Board of Directors and the Administration Department on an as-needed basis. However, a "Sustainable Development Committee" has not been established yet. It will be considered in the future based on the Company's development needs and regulatory requirements. a "Sustainable Development Committee" has not been established yet. It will be considered in the future based on the Company's development needs and regulatory requirements.	No material difference.
II. Has the Company designated personnel to implement corporate social responsibility policy with senior management authorized by the Board of Directors to manage them and do they give status reports to the Board of Directors?	V		Although the Company has not yet established a risk management policy, we still (I) Corporate Governance: The stable and efficient operation of the Company is based on the Corporate Governance Best Practice Principles, which includes quality control of products, innovation research and development, and value co-creation with customers. (II) Environment: The Company became a eco-friendly through more efficient use of energy and water resources and reducing environmental impact. (III) Social: Our people are integral to the business operations and the Company creates a happy workplace and ensures a safe working environment,	No material difference.

Evaluation item	Implementation status			Deviations from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			attracts and retains talents with a sound system to provide the rights and interests of employees on top of enabling employees to find their own niche and excel in their roles so that the Company can maintain competitiveness. Employees are also encouraged to participate in recycling, community engagement and social giving activities, adhere to relevant laws and regulations and fulfill social responsibility. (IV) Strengthening director functions: 1. To ensure that directors understand their relevant responsibilities and legal obligations, annual training is provided to directors, which includes updates on the latest regulations, systems, and guidelines from regulatory authorities. 2. To insure directors against directors' liability, when directors have fulfilled their duties as good managers, protecting them in the event of litigation or claims. (V) Stakeholder Communication: The Company analyzes the situation of important stakeholders and their concerns from various perspectives, including shareholders, employees, customers, and suppliers, on an annual basis.	

Evaluation item	Implementation status			Deviations from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			(VI) Employment relationship: According to the annual manpower demand plan, the Company recruit outstanding talents through diverse recruitment channels, develop a talent training program, strengthen talent training, and emphasize talent cultivation and retention. (VII) Ethical corporate management: The Company has established the "Code of Business Ethics," "Code of Conduct," "Operating Procedures and Behavioral Guidelines for Ethical Operations," internal control measures, and "Rules for the Management of Duties, Authorities, and Agents" as the fundamental regulations that the management team must adhere to. While maintaining normal business development and maximizing shareholder interests, the Company actively focuses on consumer rights, community environmental protection, and public welfare, and attaches importance to its social responsibilities.	
III. Environmental topics				
(I) Has the Company set an environmental management system designed to industry characteristics?	V		The Company has relevant specifications for quality management, safety and health and environmental protection, etc. and meets the audit standards of relevant units.	No material difference.

Evaluation item	Implementation status			Deviations from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
(II) Has the Company endeavored to make more efficient use of resources and use renewable materials that have a lower impact on the environment?	V		The Company continuously drives energy conservation and resource recycling policies, such as waste sorting and recycling and reducing document paper waste, in order to protect the earth's resources.	No material difference.
(III) Does the Company evaluate potential risks and opportunities of climate change for the Company now and in the future, and make countermeasures to issues related to climate change?	V		In response to the energy conservation and carbon reduction policies, with an eye toward proper utilization of resources and contribute to environmental protection, over and above having relevant recycling methods for all recyclables, advocacy and audits for energy conservation, water saving, recycling of recyclables, and controlling air conditioning and lighting are regularly conducted in order to properly utilize resources and make a contribution to environmental protection.	No material difference.
(IV) Does the Company collect data for greenhouse gas emissions, water usage, and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction, and other waste management policies?		V	This year, our company will begin its first greenhouse gas inventory, setting 2025 as the starting year. This year, the inventory will primarily focus on the parent company's data related to greenhouse gas categories 1 and 2, with the goal of completing the inventory by June 30, 2026.	As this is the company's first audit this year, the data on emissions, water consumption, and total waste weight will be uploaded to the designated [ESG data platform] by June 30, 2026.
IV. Social topics				
(I) Has the Company established management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(I) The Company and its overseas subsidiaries have formulated comprehensive personnel management rules in accordance with relevant local labor-laws and international human rights conventions to	No material difference.

Evaluation item	Implementation status			Deviations from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			protect the legitimate rights and interests of employees.	
(II) Has the Company formulated and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits), and appropriately reflected the operating performance or achievements in the employee remuneration?	V		(II) The work rules and relevant personnel rules of the Company and its overseas subsidiaries are formulated in accordance with the relevant local labor-laws and regulations, and are practiced in accordance with the regulations. The Company's Articles of Incorporation stipulates that if there is a profit in the current year, 1% to 2% shall be allocated as employee compensation.	No material difference.
(III) Does the Company provide employees with a safe and healthy work environment and regularly implement safety and health education programs for employees?	V		(III) The Company provides all employees a safe and healthy work environment. 1. To protect the safety of employees, offices are equipped with strict access control security and 24-hour surveillance systems, and employees are required to use identification cards to enter the office to protect the safety of employees. 2. Health checks are carried out regularly. 3. Offices are equipped with central air conditioning systems, adequate lighting and fire safety equipment are regularly checked on an annual basis. 4. Safety education and training are conducted yearly. The Company did not experience any fire incidents in the most recent year, and in accordance with fire	No material difference.

Evaluation item	Implementation status			Deviations from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			regulations, conducted annual fire inspections and filed reports. Each plant of the Company has established a fire safety manager in accordance with the law and submitted a fire protection plan. Every year, fire safety and disaster prevention education and evacuation drills are conducted in accordance with the plan to ensure effective fire safety management.	
(IV) Has the Company established an effective career skills development training program for employees?	V		(IV) The Company has set up an education and training unit, which is responsible for establishing effective career ability development and training programs for employees, carrying out regular and ad-hoc internal related training to upgrade and refresh professional capabilities of employees. Employees are encouraged to participate in external training, facilitating the development of their career capabilities, cultivating relevant knowledge and skills of employees at all levels, thereby improving work efficiency and improving the quality of their work.	No material difference.
(V) Does the Company's product and service marketing and labeling adhere to relevant laws and regulations and international standards as well as the laws and regulations related to customer health and safety and personal information and has it established policies and grievance procedures to protect consumer protection	V		(V) The marketing and labeling of the Company's products and services are conducted in accordance with relevant laws and regulations and international standards. At the same time, in order to protect the rights and interests of consumers, the Company formulates "Customer Complaint Management	No material difference.

Evaluation item	Implementation status			Deviations from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
rights?			Procedures" and establishes a complete return process and complaint channel.	
(VI) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?		V	(VI) At present, the Company's supplier management policy does not regulate the issues of environmental protection, occupational safety, or labor human rights of suppliers. That said, prior to dealing with suppliers, the Company assesses whether the supplier is a qualified supplier in accordance to the Company's supplier management procedures, and emphasis is also placed on the management foci of suppliers, including the quality and product safety. Most of the suppliers of the Company are long-term collaborative manufacturers and should any of the suppliers run into the risk of having negative impacts on the environment, labor conditions, human rights, society, etc., the Company may propose to halt or terminate collaborations.	In the future, relevant regulations will be formulated according to the situation.
V. Does the Company follow international recognized reporting criteria or guides when disclosing non-financial Corporate Social Responsibility reports? Has the said Report acquired third-party certification party verification or statement of assurance?	V		The Company will begin compiling sustainability reports in 2025 inaccordance with legal regulations. The Company's sustainability report is based on the Global Reporting Initiative (GRI) Standards, TCFD, and SASB standards as disclosure principles, and is prepared with reference to the Taiwan Stock Exchange's "Procedures for the Preparation and Declaration of Sustainability Reports for Listed Companies" and "Sustainable	In conformity with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Implementation status			Deviations from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			Development Best Practice Principles for TWSE/TPEx Listed Companies." It aims to disclose to stakeholders the Company's sustainability-related actions and results.	
VI. If the Company has established sustainable development principles "SustanableDevelopment Best Practice Principles for TWSE/TPEx Listed Companies," describe the implementation and any deviations from the Principles: The Company has established "Sustainable Development Principles" and implemented the spirit of the principles and drove the operation of corporate social responsibility through strengthening education, training and advocacy.				
VII. Other important information to facilitate better understanding of the Company's corporate social responsibility practices: The Company periodically participates in social services or charitable activities and encourages employees to make good use of resources. We provide employees with a stable and high-quality working environment. Every two years, we conduct regular health check-ups, and senior executives provide additional advanced check-up items to ensure the well-being of our employees. To seek the maximum benefit for the Company's stakeholders.				

Climate-related Information of Listed and OTC Companies:

Item	Implementation status
1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	The Company's Board of Directors is the highest authority for the company's climate risk management, aiming to comply with regulations, oversee the overall climate-related risk management of the company, understand the risks faced in operations, and ensure the effectiveness of risk management. Such climate-related actions, if involving significant investments or plans, are also supervised by the Board of Directors. The Company conducts potential assessments of the current and future risks and opportunities of climate change for the Company using a task force approach on a part-time basis. The Company has actively promoted energy-saving and carbon reduction operations, such as installing rooftop photovoltaic solar equipment, greening the plant area to increase vegetation coverage, and promoting low-carbon lifestyle initiatives within the Company. In the future, relevant management policies will be formulated based on actual needs or legal requirements.
2. Describe how identified climate risks and opportunities affect the Company's operations, strategies, and finances (short-term, medium-term, long-term).	● Short Term: The impact on company operations due to natural disasters caused by extreme weather; the increase in operating costs due to energy shortages or interruptions; ● Medium to Long Term: In response to climate information disclosure, greenhouse gas inventory and assurance need to be conducted, increasing information disclosure costs; the imposition of carbon fees and taxes leads to higher operating costs; the increase in green electricity procurement costs; or the failure to keep up with the transition to low-carbon operations affects company operations. The countermeasures formulated for this purpose include: the installation of emergency response equipment in the office, insurance of fixed assets, energy conservation and carbon reduction measures, and the formulation of greenhouse gas reduction plans and targets, to prevent operational interruptions, enhance green operational efficiency, and reduce the risks of potential financial impacts.
3. Describe the impact of extreme weather events and transition actions on finance.	In response to extreme weather events, if the scale of natural disasters is large, it may result in damage to certain office equipment or personnel being unable to report to work normally, affecting the normal operations of the company. Therefore, the Company has taken the following countermeasures: ● Insure fixed assets to mitigate losses that may be caused to the company by abnormal extreme weather, using insurance to transfer risks and cover losses. Establish multiple operating locations to diversify the risk of operational interruptions. ● Establish an off-site backup system and office diversion mechanism to reduce the impact when personnel are unable to report to work normally due to extreme weather anomalies.

Item	Implementation status
	● Install flood barriers in office buildings. ● Regular disaster education and training are conducted, and an on-site drill for an emergency response secondary backup office and disaster recovery drill plans are set up to ensure the continued operation of business activities in the event of operational interruptions caused by disasters.
4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	As of the printing date of the annual report, the Company has not yet established how the process of identifying, assessing and managing climate risk is integrated into the overall risk management system.
5. If using scenario analysis to assess resilience to climate change risks, the scenario, parameters, assumptions, analysis factors, and major financial impacts should be explained.	The Company currently, scenario analysis is not being used to assess resilience to climate change risks.
6. If there is a transition plan for managing climate-related risks, please explain the content of the plan, as well as the indicators and objectives used to identify and manage physical risks and transition risks.	The Company currently, there is no transition plan in place to address climate-related risks.
7. If using internal carbon pricing as a planning tool, the basis for price determination should be explained.	Currently, internal carbon pricing is not being used.
8. If climate-related goals are set, the activities covered, scope of GHG emissions, planning schedule, annual progress, and other information should be explained. If carbon offsetting or renewable energy certificates (RECs) are used to achieve the goals, the source and quantity of carbon offsetting or the quantity of RECs should be specified.	No climate-related goals have been set at present.
9. Inventory and confirmation of greenhouse gas emissions, reduction targets, strategies, and action plans.	This year, the parent company officially launched its greenhouse gas inventory, and plans to complete the collection of greenhouse gas data for the entire group within two years. The corresponding reduction targets and strategies will be formulated after the company completes the greenhouse gas inventory for the entire group.

(VI) Corporate Observance of Ethical Business Practices and Deviation from the Ethical Corporate Management Best-Practice Principles for the TWSE/GTSM Listed Companies and Reasons Thereof::

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company have ethical operation policies established by the Board, and do the Company's Articles of Association and external documents explicitly express its ethical policies and methods and are the Board and senior executive dedicated to the active implementation of these commitments?	V		(I) The Company has formulated the "Procedures for Ethical Corporate Management and Conduct Guidelines," which stipulates that the directors, managers, and employees of the Company shall abide by laws and regulations and guard against unethical conducts when carrying out business.	No material difference.
(II) Has the Company developed systematic practices for assessing integrity risks? Does the Company perform regular analyses and assessments on business activities that are prone to higher risk of dishonesty, and implement prevention against dishonest conducts that include at least the measures mentioned in Paragraph 2, Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		(II) The Company has formulated the "Procedures for Ethical Corporate Management and Conduct Guidelines" and clearly regulated that it shall not accept any improper benefits, or act in violation of ethics or law. It also advocates the importance of ethical conduct to all internal staff from time to time, carries out education and training in a timely manner, and combines with employee performance and rewards and punishments to specify the reporting system, punishment for violation and appeal system.	No material difference.
(III) Has the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	V		(III) The Company has formulated "Internal Procedures for Handling Material Information," "Procedures for Ethical Corporate Management and Conduct Guidelines" and "Code of Ethical Conduct" to regulate the conduct of the Company's important business personnel. Through the	No material difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			internal audit unit's audit mechanism, the Company can prevent unethical business activities, bribery and accepting bribery, and illegal political contributions.	
II. Implementation of ethical corporate management				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	V		(I) The Company regularly evaluates the relationship between customers and suppliers. If any abnormal or illegal situation is found, the Company immediately takes corresponding measures or stops trading.	No material difference.
(II) Has the Company established a business unit, which is supervised by the Board of Directors and is exclusively or concurrently dedicated to business ethics and integrity,to report to the Board of Directors onimplementation status regularly (at least annually)?		V	(II) The Finance Department of the Company is concurrently responsible for formulating and supervising the implementation of ethical management policies and prevention plans. At present, there is no regular report to the Board of Directors on the ethical management policy, the scheme to prevent unethical conduct, and the supervision of the implementation.	In the future, we will evaluate and report to the Board of Directors in a timely manner on ethical management policies and plans to prevent unethical practices and supervise the implementation.
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		(III) In the "Board Meeting Rules" established by the Company, it is explicitly stipulated that in the case of conflict of interest regarding various agenda items of the Board of Directors, the principle of avoidance shall be followed. Directors with conflict of interest shall not	No material difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			participate in the discussion and shall abstain from voting. The Company has formulated "Procedures for Ethical Corporate Management and Conduct Guidelines" to prevent conflict of interest. In case of conflict of interest in the execution of the Company's business, the Company's personnel shall report the relevant situation to their immediate supervisors, who shall supervise and provide appropriate guidance.	
(IV) Has the Company established an effective accounting system and internal control system to facilitate ethical corporate management, which are audited by either internal auditors or certified public accountants on a regular basis?	V		(IV) The Company establishes an effective internal control system, and regularly reviews and modifies it at any time according to the changes of laws and regulations and practical requirements, and the internal auditors regularly check it to ensure the continuous and effective design and implementation of the system, and report to the Board of Directors regularly to establish a good corporate governance and risk control mechanism.	No material difference.
(V) Does the Company regularly hold internal and external educational training on ethical corporate management?		V	(V) The Company advocates the concept of ethical management in various meetings from time to time. At present, there is no regular internal and external education and training on ethical management.	In the future, we will conduct internal and external education and training on ethical management on a regular basis.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
III. Operation of the whistle-blowing system				
(I) Does the Company establish both a reward/whistle-blowing system and convenient whistle-blowing channels?Are appropriate personnel assigned to the accused party?	V		(I) The Company has established the "Procedures for Ethical Corporate Management and Conduct Guidelines" and the "Code of Ethical Conduct." If any unethical conduct is found or received by the Company's personnel, the responsible unit shall immediately find out the relevant facts. If the circumstances are serious, the punishment shall be conducted in accordance with the Company's regulations.	No material difference.
(II) Does the Company establish standard operating procedures for investigating the complaints received and ensuring such complaints are handled in a confidential manner?	V		(II) The Company will first learn about the reported matters. If the report involves ordinary employees, it should be reported to the department head. If the report involves directors or senior executives, it should be reported to the independent directors.	No material difference.
(III) Does the Company provide protection to whistleblowers against receiving improper treatment?	V		(III) The Company shall do its utmost best to protect the whistle-blowers from improper treatment due to inspection.	No material difference.
IV. Enhancing information disclosure				
Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?		V	(I) At present, the Company has disclosed the code of ethical corporate management on the Company's website. In the future, the code will be established step by step and	In the future, related steps will be taken in accordance with the Company's needs

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviations
	Yes	No	Description	
			relevant information will be disclosed.	for development and related regulations.

V. If the Company has established ethical corporate management policies in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies ("Best Practice Principles"), please describe any discrepancy between the policies and its practices:

The Company has formulated the "Ethical Corporate Management and Conduct Guidelines" to clearly regulate the matters to be observed by the Company's personnel. In addition, whistle-blowing and punishment have also been specified in the relevant measures. There is no significant difference from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."

VI. Other important information to facilitate better understanding of the Company's ethical corporate management (e.g., review of and amendments to ethical corporate management policies) The "Rules of Procedure for Board of Directors Meetings" clearly outlined the recusal mechanism for directors.

1. Directors should recuse themselves in relation to matters which directly related to themselves or any juristic person which they represent. When the relationship is likely to prejudice the interests of the Company, the director may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.
2. The Company has established the "Measures for Preventing Insider Trading" to stipulate that the Directors, managers, and employees shall not disclose the internal material information to other parties. It is not allowed to inquire or collect information from persons who are aware of material information within the Company that is not related to personal duties. It is also not allowed to disclose to other people that private information acquired due to the business execution, in which the Company does not disclose the information.
3. The Company has always adhered to the principle of ethical corporate management, followed the relevant laws and regulations and internal control system for good management, strictly prohibit dishonesty or violations of laws and regulations.

(VII) Other Important Information Regarding Corporate Governance: None.

(VIII) Status of Internal Control System

1. Internal Control Statement:

   Please check the MOPS website. Query URL:

   mopsov.twse.com.tw/nas/cont06/c848211401150313.pdf

2. CPA has been hired to carry out a special audit of the internal control system, the CPA's audit report should be disclosed: None.

(IX) Major Resolutions of Shareholders' Meeting and Board Meetings During the Most Recent Fiscal Year Up to the Date of Publication of the Annual Report:

1. Major Resolutions of Shareholders' Meeting and Implementation for 2025

Name of the meeting	Date	Major resolutions	Implementation status
Annual Shareholders' Meeting	2025/6/13	1. Ratification of 2024 Business Report and Consolidated Financial Statements	The relevant reports and statements have been filed with the competent authority for future reference, disclosure, and declaration pursuant to the relevant laws and regulations.
		2. Ratification of Proposal for Earnings Distribution for 2024	The ex-dividend date is set as July 8, 2025, and the cash dividend has already been fully distributed on July 25, 2025 (with a cash dividend of NT$4.36 per share).
		3. Approval for the Amendments to the Articles of Association.	It has been handled in accordance with the amended measures and has been announced on the Company's website.
		4. Full re-election of eight directors.	After a vote by the shareholders present, 8 new Directors were elected, and the announcement has been made on the website approved by the competent authority.
		5. Release the Company's newly elected directors from non-competition restrictions.	The announcement has been made on the website approved by the competent authority.

2. Major Resolutions of the Board of Directors

Name of the meeting	Date	Resolutions
Board of Directors	2025/01/15	1. Proposed to adopt the Company's 2024 budget. 2. Subsidiary's capital increase proposal. 3. The Company's proposal for repurchasing shares through treasury stock for transfer to employees.

Name of the meeting	Date	Resolutions
Board of Directors	2025/03/13	1.2024 Business Report and Consolidated Financial Statements. 2.2024 earning distribution plan. 3.2024 directors remuneration distribution. 4.2024 employee remuneration distribution. 5.Approval of 2024 internal control system statement. 6.Amendments to the Company's Article of Incorporation. 7.Establishment of the Company's General Principles for Pre-approval of Non-assurance Service Policies. 8.Amendments to the Company's "Regulations Governing the Repurchase and Transfer of Shares to Employees." 9.Evaluation of the independence and competence, and appointment of Certified Public Accountant for 2025. 10.Accept the proposal of shareholders at the 2025 shareholders' meeting. 11.Full re-election of eight directors. 12.Accept the nomination of shareholders at the 2025 shareholders' meeting. 13.Proposal to release the Company's newly elected directors from non-competition restrictions. 14.Convening the 2025 shareholders' meeting of the Company. 15.The subsidiary applies for a guaranteed letter of credit, with the sub-subsidiary providing property as collateral and endorsement and guarantee.
Board of Directors	2025/5/13	1. Consolidated financial statements for the 1st quarter of 2025.
Board of Directors	2025/6/13	1. Election of the Company's Chairman. 2. Formation of the Fifth Remuneration Committee. 3. Formation of the Fifth Audit Committee.
Board of Directors	2025/8/27	1. Consolidated financial statements for the 2nd quarter of 2025.. 2. As of the end of June 2025, the Company's subsidiary's accounts receivable that exceed the normal credit period of three months are proposed to be classified as non-fund lending cases. 3. Amendment to the "Procedures for Loan of Funds to Others". 4. Establishment of the Company's "Procedures for the Preparation and Declaration of Sustainability Reports." 5. The Company intends to provide endorsement and guarantee for the financing of the subsidiaries with banks. 6. The Company's financing with banks.
Board of Directors	2025/11/12	1. Consolidated financial statements for the 3rd quarter of 2025. 2. Review and evaluate the Management Measures for the Remuneration of Directors and Managers. 3. Performance evaluation of general directors in 2025 and remuneration of general directors in 2026. 4. Performance evaluation of independent directors in 2025 and remuneration of independent directors in 2026. 5. Performance evaluation of managers for 2025 and their remuneration for 2026. 6. As of the end of September 2025, the Company's subsidiary's accounts receivable that exceed the normal credit period of three months are proposed to be classified as non-fund lending cases. 7. Amendment to the "Procedures for Loan of Funds to Others". 8. Establishment of "2026 internal audit plan."
Board of Directors	2026/01/21	1. Proposed to adopt the Company's 2025 budget.

Name of the meeting	Date	Resolutions
Board of Directors	2026/03/12	1. 2025 Business Report and Consolidated Financial Statements. 2. 2025 earning distribution plan. 3. 2025 directors remuneration distribution. 4. 2025 employee remuneration distribution. 5. Approval of 2025 internal control system statement. 6. As of the end of December 2025, the Company's subsidiary's accounts receivable that exceed the normal credit period of three months are proposed to be classified as non-fund lending cases. 7. Establishment of the Company's General Principles for Pre-approval of Non-assurance Service Policies. 8. Evaluation of the independence and competence, and appointment of Certified Public Accountant for 2025. 9. Accept the proposal of shareholders at the 2025 shareholders' meeting. 10. Convening the 2025 shareholders' meeting of the Company.

(X) Any Dissenting Opinion Expressed by a Director or Supervisor with Respect to a Major Resolution Passed by the Board of Directors During the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report, Where Said Dissenting Opinion Has Been Recorded or Prepared as a Written Declaration: None.

IV. Information on CPA Professional Fees

Amount unit: NT$ thousands

CPA firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Note
Deloitte & Touche	Chang, Keng-Hsi Liu, Li-Wei	2025.01.01-2025.12.31	10,811	-	10,811	

(I) Change the CPA Firm and the Audit Fee Paid in the Year of Change is Lower Than That in the Previous Year: None.

(II) Audit Fees Were 10% Less Than That of the Previous Year: None.

V. Information on Replacement of CPAs:

If the Company has changed auditors in the past two fiscal years and subsequent periods: internal reassignment within the accounting firm.

(I) Information on Previous CPA

Date of change	Approved by the Board of Directors on March 13, 2024		
Reason(s) for change and details	In alignment with the internal reassignment within the accounting firm		
Description of whether the appointer or CPA terminated or discontinued the engagement	Party Situation	CPA	Appointor
	Voluntary termination of appointment	None	
	No further (continued) appointments accepted		
State the opinion and reason if the former CPA issued an audit	None of such incidents		

<table>
<tr><td>report during the most recent 2 years containing an opinion other than an unqualified opinion</td><td colspan="3"></td></tr>
<tr><td rowspan="6">Indicate whether there were any disagreements with the former CPA</td><td rowspan="4">Yes</td><td></td><td>Accounting principles or practices</td></tr>
<tr><td></td><td>Financial report disclosure</td></tr>
<tr><td></td><td>Auditing scope or procedure</td></tr>
<tr><td></td><td>Other</td></tr>
<tr><td>None</td><td colspan="2">V</td></tr>
<tr><td colspan="3">Description</td></tr>
<tr><td>Other disclosures
(Article 10, paragraph 6, subparagraphs 1-4 to 1-7 of the standards shall be further disclosed)</td><td colspan="3">None</td></tr>
</table>

(II) Information on Successor Accountant

CPA firm	Deloitte & Touche
Name of CPA	Chang, Keng-Hsi Liu, Li-Wei
Appointment date	Approved by the Board of Directors on March 13, 2024
Consultation matters and results regarding the accounting treatment methods or accounting principles for specific transactions before appointment, as well as the opinions that may be issued on financial reports	None of such incidents
Written views from the successor CPA regarding the matters on which the Company disagreed with the former CPA	None of such incidents

(III) Disclosure on the content of the reply letter from the former CPA in response to the three matters under paragraph 1 and paragraph 2-3, Article 10-6 of the standards:Not applicable.

VI. Information About Chairman, President, and Financial or Accounting Manager of the Company Who Has Worked with the CPA Firm Which Conducts the Audit of the Company or Affiliated Company to Said Firm in the Most Recent Year: None.

VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent:

(I) Share Changes by Directors, Supervisors, Managers, and Major Shareholders

Unit: Shares

Title	Name	2025		Year to date April 24, 2026	
		Shareholding increase (decrease)	Pledged share increase (decrease)	Shareholding increase (decrease)	Pledged share increase (decrease)
Chairman	Hsieh, Chih-Tong	-	-	-	-
Director & CEO	Hsieh, Shu-Yun	-	-	-	-
Director	Hsieh, Ming-Yun	-	-	-	-
Director	Victor Feng Gao	-	-	-	-
Independent Director	Kao, Koong-Lian	-	-	-	-
Independent Director	Chen, Ming-Chang	-	-	-	-
Independent Director	Lin, Ting-Tse	-	-	-	-
Independent Director	Su, Chi	-	-	-	-
Independent Directors	Chen, Ming	-	-	-	-
Director of Production Department	Chen, Ya-Qing	-	-	-	-
Director of Business Department	Li, Cheng-Fa	-	-	-	-
Chief Financial Officer	Lin, Fang-Yi	-	-	-	-
Director of Audit Department	Li, Shu-Chun	-	-	-	-
Accounting Supervisor	Jiang, Yun-Ru	-	-	-	-
Major Shareholder	Cosie Investment Holdings Limited	-	(160,000)	-	400,000
Major Shareholder	CTBC Bank Co., Ltd. in custody for dedicated account of Li Yi Holdings Limited	-	-	-	-
Major Shareholder	Professional Advantage International Limited	-	-	-	-

(I) Net Change in Shareholdings and in Shares Pledged by Directors, Supervisors, Managers, and Shareholders Holding More Than a 10% Share in the Company: None.

VIII. Relationship Information, If Among the Company's Ten Largest Shareholders Any One is a Related Party or Spouse or a Relative Within the Second Degree of Kinship of Another:

April 14, 2026 (book closure date); Unit: Shares; %

Name	Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Among ten largest shareholders, name and relationship with any one who is a related party or spouse or a relative within the second degree of kinship		Note
	Number of shares	Ratio (%)	Number of shares	Ratio (%)	Number of shares	Ratio (%)	Designation (or name)	Relationship	
Cosie Investment Holdings Limited	44,400,000	41.32%	-	-	-	-	Professional Advantage International Limited	The shareholders and directors of both parties are the same	-
							Active Industries Worldwide Limited	The shareholders and directors of both parties are within the first degree of kinship	-
							Major Worldwide Development Limited	The shareholders and directors of both parties are within the first degree of kinship	-
CTBC Bank Co., Ltd. in custody for Li Yi Holdings Limited	22,200,000	20.66%	-	-	-	-	-	-	-
Professional Advantage International Limited	16,687,700	15.53%	-	-	-	-	Cosie Investment Holdings Limited	The shareholders and directors of both parties are the same	-
							Active Industries Worldwide Limited	The shareholders and directors of both parties are within the first degree of kinship	-
							Major Worldwide Development Limited	The shareholders and directors of both parties are within the first degree of kinship	-
Active Industries Worldwide Limited	4,000,000	3.72%	-	-	-	-	Cosie Investment Holdings Limited	The shareholders and directors of both parties are within the first degree of kinship	-
							Professional Advantage International Limited	The shareholders and directors of both parties are within the first degree of kinship	-
							Major Worldwide Development Limited	The shareholders and directors of both parties are relatives within the second degree of kinship	-
Major Worldwide Development Limited	4,000,000	3.72%	-	-	-	-	Cosie Investment Holdings Limited	The shareholders and directors of both parties are within the first degree of kinship	-
							Professional Advantage International Limited	The shareholders and directors of both parties are within the first degree of kinship	-
							Active Industries Worldwide Limited	The shareholders and directors of both parties are relatives within the second degree of kinship	-
Standard Chartered in custody for KGI Asia Limited	3,429,000	3.19%	-	-	-	-	-	-	-
Xu, Hui-Jing	1,437,258	1.34%	-	-	-	-	-	-	-
Cathay Venture Inc.	1,306,700	1.22%	-	-	-	-	-	-	-
Chen, Jun-Liang	862,000	0.80%	-	-	-	-	-	-	-
Qunyi Jinding is entrusted to keep Lukfook Securities investment account	856,000	0.80%	-	-	-	-	-	-	-

IX. Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company:

December 31, 2025; Unit: Shares

Reinvested company	Ownership by the Company		Ownership by directors, supervisors, managers, and entities directly or indirectly controlled by the Company		Comprehensive investment	
	Number of shares	Share Ownership %	Number of shares	Share Ownership %	Number of shares	Share Ownership %
Shayne International Holdings Limited	2,598,700,000	100%	-	-	2,598,700,000	100%
Shayne Holding Inc.	Note 1	100%	-	-	16,157,908	100%
Shayne(Macao Commercial Offshore)Limited	Note 1	100%	-	-	-	100%
Spectra Home LLC	Note 1	100%	-	-	-	100%
JV International, LLC	Note 1	100%	-	-	-	100%
Shayne USA, LLC	Note 1	100%	-	-	-	100%
Shayne Furniture (Thailand) Co., Ltd.	Note 1	100%	-	-	3,410,182	100%
Shane (Cambodia) Furniture Co., Ltd.	Note 1	100%	-	-	12,091	100%
Xin Huatong (Cambodia) Packaging Co., Ltd.	Note 1	51%	-	-	1,530	51%
Hangzhou Rilong Leather Limited Company (Note 2)	Note 5	100%	-	-	註5	100%
Hangzhou Hua Tong Industries (Note 3)	Note 5	97%	-	-	註5	97%
Ketu Furniture (Shanghai) Co., Ltd. (Note 6)	Note 5	97%	-	-	註5	97%
Hangzhou Ketu Trading Co., Ltd. (Note 4)	Note 5	97%	-	-	註5	97%

Note 1: 100% owned by Shayne International Holdings Limited.

Note 2: 100% owned by Shayne Holding Inc.

Note 3: 97% owned by Shayne Holding Inc.

Note 4: 100% owned by Hangzhou Hua Tong Industries.

Note 5: There is no share in the type of China limited company.

Note 6: On November 9, 2021, the Board of Directors of Ketu Furniture (Shanghai) Co., Ltd. resolved to dissolve and liquidate the company, and completed the deregistration on February 26, 2025.

Chapter 4. Capital Overview

I. Capital and Shares

(I) Sources of Capital

1. Capitalization

April 14, 2026; Unit: Thousand shares, NT$ thousands

	Issue price (NT$)	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital increase by assets other than cash	Other
2014.09	USD 1	50	50	50	50	Start-up capital	–	–
2014.12	USD 1	50	50	(50)	(50)	Write-off capital	–	–
2014.12	USD 0.001	75,000	75	50,000	50	The par value of the shares is divided by a ratio of 1:1000	–	–
2015.01	USD 0.001	1,549,000	1,549	1,050,000	1,050	Issue of new shares	Note 1	–
2015.11	USD 0.001	1,549,000	1,549	1,349,614	1,350	Convertible corporate bonds can be converted into common shares of 299,614,396 shares	Note 2	–
2016.03	USD 0.001	1,549,000	1,549	(1,349,614)	(1,350)	Write-off capital	–	–
2016.03	NTD 10	150,000	1,500,000	4,454	44,537	The par value of the share capital was changed to NT$10	Note 3	–
2016.03	NTD 10	150,000	1,500,000	100,000	1,000,000	Capital reserve transferred to capital increase of NT$955,463,000	Note 4	–
2018.08	NTD 10	150,000	1,500,000	111,112	1,111,120	Cash capital increase of NT$111,120,000	–	Note 5
2020.08	NTD 10	150,000	1,500,000	110,444	1,104,440	Cancellation of treasury stock NT$71,601 thousand	–	–
2024.08	NTD 10	150,000	1,500,000	107,444	1,074,440	Cancellation of treasury stock NT$423,405 thousand	–	–

Note 1: On December 18, 2014, the Company's shareholders resolved for a restructuring to acquire 100% of the shareholding of its subsidiary Shayne International Holdings Limited from its shareholder Cosie Investment Holdings Limited, and on January 19, 2015, it issued 1,000,000,000 new shares at NT$0.001 per share in exchange for shares.

Note 2: On November 17, 2015, the shareholders' meeting of the Company approved the conversion of US$25,000,000 of convertible corporate bonds issued on December 18, 2014, into 299,614,396 common shares of the Company.

Note 3: On March 19, 2016, the shareholders' meeting of the Company approved to change the par value of each share from US$0.001 to NT$10, and convert it at the exchange rate of NT$33 to US$1.

Note 4: On March 19, 2016, the Company issued 95,546,273 new shares through capital increase by capital reserve, which were distributed to the original shareholders free of charge according to the original shareholders' shareholding ratio, and the amount of issued shares was NT$955,462,730.

Note 5: Approved by Taiwan Stock Exchange Tai-Cheng-Sun-Er-Ji No. 10700154802 on August 13, 2018.

2. Type of shares (Data for the current year up to the date of the annual report)

Type of Shares	Authorized capital (shares)			Note
	Outstanding shares	Unissued shares	Total	
Common share	107,444,000 (Including treasury stock of 2,361,000 shares)	42,556,000	150,000,000	Listed stock

3. General Declaration System Information: Not applicable.

(II) List of Major Shareholders

April 14, 2026 (book closure date); Unit: Shares

Name \ Shareholding	Shareholding (shares)	Share Ownership (%)
Cosie Investment Holdings Limited	44,400,000	41.32
CTBC Bank Co., Ltd. in custody for Li Yi Holdings Limited	22,200,000	20.66
Professional Advantage International Limited	16,687,700	15.53
Active Industries Worldwide Limited	4,000,000	3.72
Major Worldwide Development Limited	4,000,000	3.72
Standard Chartered in custody for KGI Asia Limited	3,429,000	3.19
Xu, Hui-Jing	1,437,258	1.34
Cathay Venture Inc.	1,306,700	1.22
Chen, Jun-Liang	862,000	0.80
Qunyi Jinding is entrusted to keep Lukfook Securities investment account	856,000	0.80
Total	99,178,658	92.30

(III) Company's Dividend Policy and Implementation Thereof

1. Dividend Policy in the Articles of Incorporation:

Article 100 of the Articles of Incorporation stipulates that: The Company is now experiencing growth. Dividends/bonuses can be distributed to shareholders of the Company in cash or/and shares, and the distribution of dividends/bonuses should consider the capital expenditures and future business expansion plans, financial planning, and other plans for sustainable development of the Company. During the period of public listing, unless otherwise stipulated by Cayman Law, listing regulations, or Articles of Incorporation, the Company shall set aside one to two percent of annual profit as employees' profit-sharing bonus by a majority vote at a meeting attended by over two-thirds of the Directors, and distributed to employees by shares and/or cash; the Company may set aside no more than one percent of annual profit as remuneration to Directors by a majority vote at a meeting attended by over two-thirds of the Directors. However, if the Company has a cumulative loss (including adjusted undistributed earnings), the amount shall be reserved first to offset the loss. The remaining amount shall be set aside as employees' profit-sharing bonus and remuneration to Directors. Proposal of employees' profit-sharing bonus and remuneration to Directors shall be reported at the Shareholders' meeting. Unless otherwise specified in the listing regulations, remuneration to directors shall not be distributed with the issuance of new shares. The term "profit" as used in this paragraph refers to the pre-tax profit without deducting the remuneration of employees and directors.

During the listing period, unless otherwise specified by the Cayman law, the listing regulations or these Articles of Incorporation, or the rights attached to shares, if the Company has a surplus at the end of an accounting year, it shall pay all relevant taxes, make up for the losses (including the losses of previous years and adjust the amount of undistributed surplus, if any) and allocate the statutory surplus reserve in accordance with the listing regulations (but it is not applicable if the total amount of the legal surplus reserve has reached the total issued capital of the Company). After the special surplus reserve (if any) is set aside, the remaining amount (including the special surplus reserve after reversal) may be determined by the ordinary resolution of shareholders' meeting, with the amount not less than 10% of the distributable surplus, plus all or a part of the undistributed surplus (including adjustment of the undistributed surplus) in the previous year determined by the ordinary resolution of shareholders' meeting. Dividends/bonus shall be paid to the shareholders according to the shareholding ratio of the shareholders. The amount of cash dividends/bonus shall not be less than 10% of the total amount of the dividends/bonus paid.

2. Allocation of Dividends Proposed at the Shareholders' Meeting

On March 12, 2026, the Board of Directors of the Company approved the earning distribution plan for 2025 and proposed to distribute a cash dividend of NT$1.96 per share, which is NT$205,962,680 (cash dividends are calculated based on 105,083,000 outstanding shares as of March 11, 2026. The actual dividend per share is subject to the actual outstanding shares on the base date of dividend distribution, but the total amount of distribution remains unchanged).

Dividend distribution in 2025 is still to be decided by the shareholders' meeting in 2026.

(IV) Effect of Allocation of Stock Dividends Proposed at the Shareholders' Meeting on the Operational Performance of the Company and the Earnings Per Share: Not applicable.

(V) Compensation of Employees, Directors, and Supervisors (the Company Has Established an Audit Committee, So There Is No Supervisor)

1. The percentages or ranges with respect to employee compensation and director remuneration, as set forth in the Company's Articles of Incorporation:

Article 100 of the Company's Articles of Incorporation of the Company stipulates that if the Company makes a profit in the current year, it shall, by special resolution of the Board of Directors, allocate 1% to 2% of the compensation of the employees, which shall be distributed to the employees in the form of shares and/or cash, and not more than one percent as the remuneration of the directors. However, if the Company has a cumulative loss (including adjusted undistributed earnings), the amount shall be reserved first to offset the loss. The remaining amount shall be set aside as employees' profit-sharing bonus and remuneration to Directors. Proposal of employees' profit-sharing bonus and remuneration to Directors shall be reported at the Shareholders' meeting. The term "profit" as used in this paragraph refers to the pre-tax profit without deducting the remuneration of employees and directors.

2. The basis for estimating the amount of employee compensation and director remuneration for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

   In 2025, the Company allocated 1% ~ 2% as the employees' remuneration and no more than 1% as the directors' remuneration based on the pre-tax profits of the current year before deducting the employees' and directors' remuneration. If there is any difference between the actual amount of future distribution and the estimated amount, the expenses of the current year shall be adjusted and recognized before the date when the annual consolidated financial report is issued. After the date when the annual consolidated financial report is issued, the expenses shall be treated according to the changes in accounting estimates and recorded in the next year.

3. Information about the allocation of bonus resolved by the Board meeting:

   (1) The amount of employees' remuneration and directors' remuneration distributed in cash or stock:

   On March 12, 2026, the Board of Directors of the Company ratified the allocation of NT$2,451,540 (equivalent to US$78,000) as directors' remuneration for 2025 while the compensation for employees is NT$4,714,500 (equivalent to US$150,000), all are to be distributed in cash.

   (2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration:

   There are no incidents of employee compensation distributed in stocks in 2025.

4. The actual distribution of employee and director remuneration for the previous year (Including the number, amount, and share price of shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director remuneration, additionally the discrepancy, cause, and how it is treated:

   The remuneration of the Company's employees and directors in 2024 was approved by the resolution of the Board of Directors and the shareholders' meeting. There is no difference between the actual distribution and the recognized amount.

(VI) Share Repurchases (Completed):

April 14, 2026

Term of repurchase	The first time	The second time	The third time
Purpose of repurchase	Transfer of shares to employees	Maintain company credit and shareholders' rights	Transfer of shares to employees
Repurchase period	2019/6/27-2019/8/26	2020/3/30-2020/5/29	2025/1/16-2025/3/15
Price range of repurchase	NT$110 to NT$170	NT$100 to NT$180	NT$80 to NT$120
Type and quantity of shares repurchased	Common stock 3,000,000 shares	Common stock 668,000 shares	Common stock 2,361,000 shares
Amount of shares repurchased	NT$423,404,924	NT$71,601,048	NT$262,444,967
Ratio of quantity of repurchased to quantity of scheduled repurchased (%)	100	22.27	78.70
Shares that have been canceled or transferred	3,000,000 shares	668,000 shares	0 share
Cumulative shares of the Company	-	-	2,361,000 shares
Ratio of accumulated number of shares held to total shares issued (%)	-	-	2.20%

II. Issuance of Corporate Bonds: None.

III. Issuance of Preferred Shares: None.

IV. Status of Participation in Issuance of “Global Depository Receipts (GDRs)”: None.

V. Status of Employee Stock Option: None.

VI. Restriction on Employee Share Subscription Warrant: None.

VII. Mergers and Acquisitions, or as Assignee of New Shares Issued by Another Company: None.

VIII. Implementation of Capital Utilization Plan: None.

Chapter 5. Operational Highlights

I. Business Activities

(I) Scope of Business

1. Principal Businesses Activities

The Company is a holding company with operating subsidiaries whose main business is the research, development, production, and sale of indoor furniture.

2. Major Products and Sales Mix

Unit: NT$ thousand

Product	2025		2024	
	Amount	Weight proportion (%)	Amount	Weight proportion (%)
Indoor furniture	3,005,859	87.76	3,319,046	89.82
Others	419,101	12.24	376,368	10.18
Total	3,424,960	100.00	3,695,415	100.00

3. Current Products (Services) Offered by the Company

The Company's indoor furniture products mainly include sofa, bed, foot rest, dining chair, etc., while other products include indoor furniture accessories, leather clothing and related packaging materials, etc.

4. New Products (Services) under Development

New product item	Plan development description
Upholstered sofa combination series	R&D team promotes series products of sofa combination, such as upholstered sofa series, upholstered functional chair, massage chairs, geezer bench, electric rocking chair, mixture product of upholstered and wood. Outdoor series soft package products are also actively being developed. It is expected to increase product diversification with different sizes, combinations, and functions to meet the market needs of all age groups and special ethnic groups.
Solid wood furniture series	Strengthen the development of case goods (cabinets, tables, storage furniture), and pursue exquisite aesthetics and environmentally certified solid wood furniture series products.

In addition to the special items listed in the above table, the Company continues to improve the existing product manufacturing process, upgrade materials, and develop different types and styles of products, so as to enhance the aesthetic appearance, uniqueness, and diversity of products, and meet the needs and quality of life of more consumers. In addition, the R&D team is also committed to making all kinds of products pass the standards of furniture markets outside the U.S.A, such as Europe, Australia, accelerating the expansion of the Company's business plan.

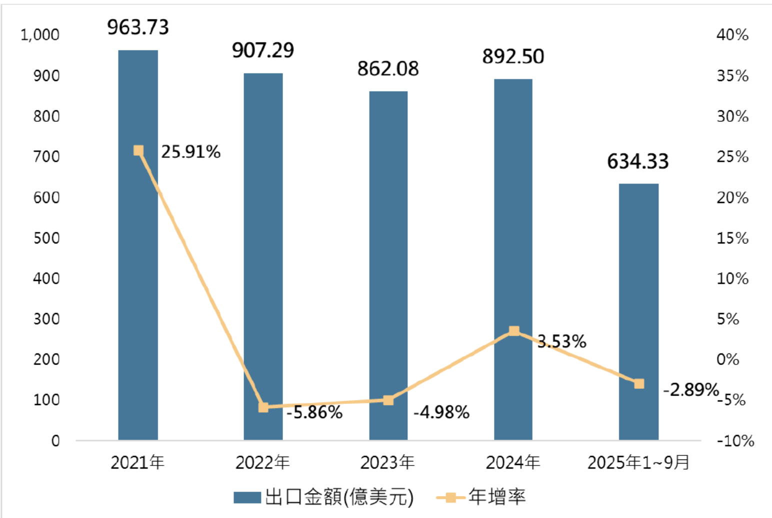
(II) Industry Overview

1. Current Status and Development

A. Global Market

The world's main furniture trading countries can be divided into three categories: the first is the supply of large furniture manufacturers to the domestic market, with high per capita income, high labor cost, and furniture trade deficit. Such countries are represented by the United States. In the second category, small and medium-sized manufacturers supply domestic and export markets. Although such countries have high per capita income and labor costs, they can benefit from the special advantages of various countries, such as the rich forestry resources in Canada and Scandinavia; Italy benefits from many furniture-related industry organizations and small enterprises in production areas. The third group of countries are other furniture producer countries with advantages due to low labor costs, including China, Vietnam, Malaysia, and Indonesia in Asia, Poland, Romania, Turkey, Lithuania and Hungary in Central and Eastern Europe, and Mexico in Latin America, all of which have large trade surpluses.

Currently, China remains the largest furniture exporter, followed by Vietnam, Poland, Italy, and Germany. China's exports peaked in 2021, then declined in 2022 and 2023, partially recovered in 2024, and are expected to decline again in 2025.

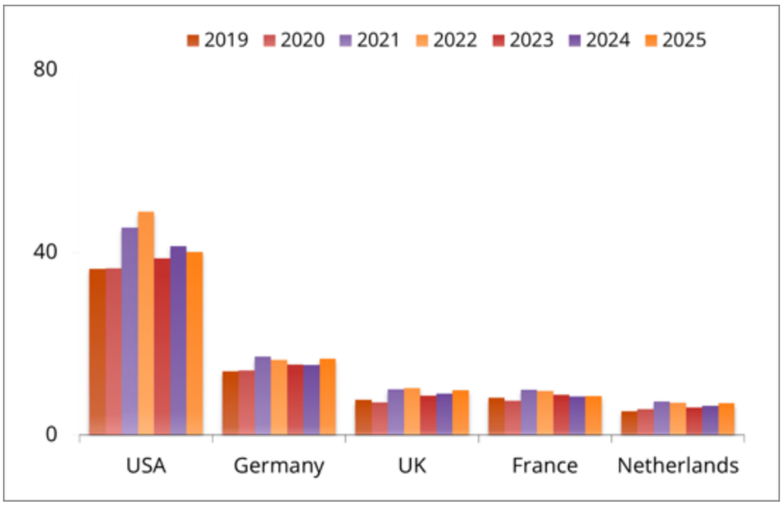


資料來源：中國海關進出口磁帶資料；台經院產經資料庫整理(2025 年 11 月)

中國家具製造業出口概況

According to the CSIL Report, the world’s main furniture importing countries such as the United States, Germany, the United Kingdom, France, and Canada account for half of the world’s total imports. In recent years, the major furniture importing countries have been the U.S.A., Germany, the United Kingdom, France, and the Netherlands. In 2024, U.S.A.'s furniture imports reached 41 billion dollars, accounting for about 25% of global imports, but under the impact of tariffs and uncertainty, it declined in 2025. Preliminary data shows that the performance of the European market is relatively good.

主要的家具進口國
進口額:2019-2025年10億美元單位



Source: Global Information, Inc. (GII) https://www.gii.tw/report/csi1883928-world-furniture-outlook.html

CSIL World Furniture Outlook: 2026

CSIL predicts that the global GDP growth rate will slow down from 3.2% in 2025 to 3.1% in 2026, before rising again in 2027. Although risks have eased, global uncertainties, protectionism, and potential economic impacts may continue to exert pressure on the furniture industry and consumer behavior.

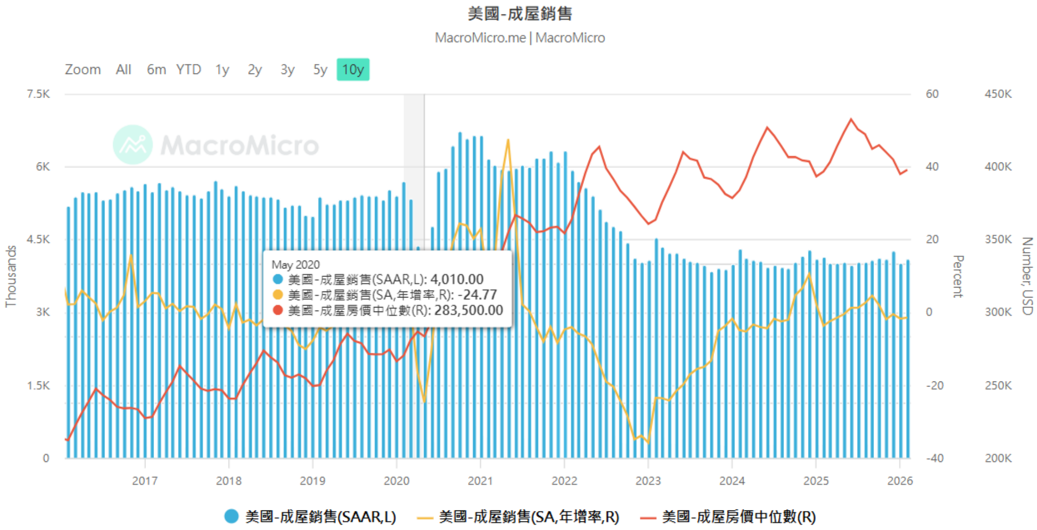
B. The United States Market

United States is the Company's main sales market, wherefrom the Company's sales accounted for 78.87% and 80.46% of the Group's sales revenue in 2025 and 2024.

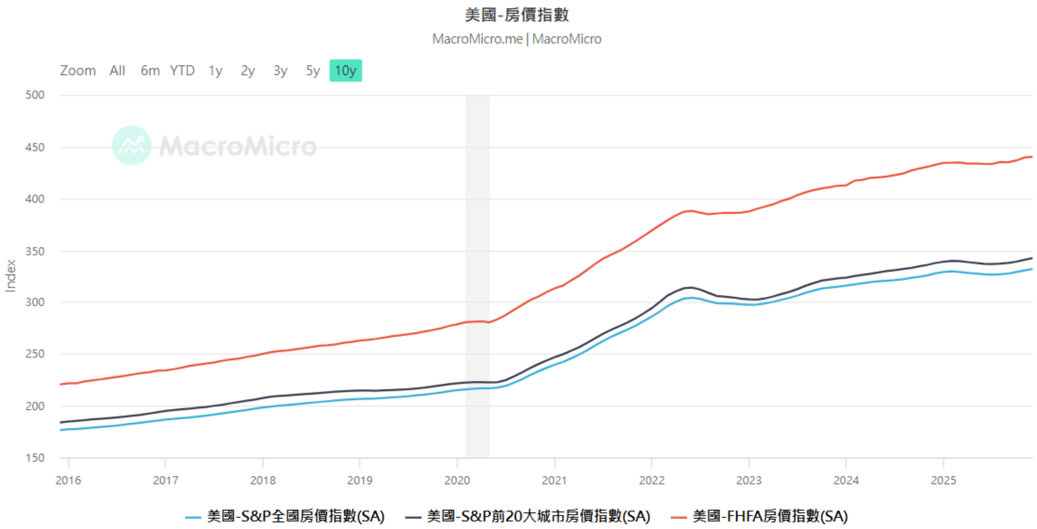
The change of furniture consumption concept has a profound impact on the American furniture industry. Like many other mass-produced consumer products, furniture has become a large amount of common products. The sales volume is generally determined by the price. When consumers no longer regard furniture as a thing worth spending, the budget that they are willing to invest in home furniture purchase is naturally less and less, which eventually leads to the technology and equipment of many American furniture factories falling behind.

With an eye toward increasing income and reinforcing profitability, the American furniture manufacturers concentrated on development of unique customized products instead of bulk common commodities. Generally, the sales price and added value of bespoke pieces are higher than that of traditional furniture and also meet the needs of a new generation of American consumers in pursuit of fashion and personalization, hence having growth potential in the United States. The reason why consumers choose customized furniture includes the ability to participate in design, functionality, uniqueness in design, space-saving, and a sense of fashion. Compared with traditional furniture, customized furniture has the advantages of high space utilization, personalized design, and simple installation. With the qualitative change in consumer consumption habits, customized furniture has become an important highlight in the field of furniture consumption.

In 2025, the sales of existing homes in the U.S.A. have grown compared to the past few years. However, the housing market is still affected by high housing prices and high mortgage rates, leading many homeowners to choose to replace furniture rather than move. This will drive a trend of replacing high-quality, durable furniture and home office furniture.



Source: MacroMicro https://www.macromicro.me/collections/7/us-housing-relative/31/existing-home-price -



Source: MacroMicro https://www.macromicro.me/collections/7/us-housing-relative/35/house-index

Source: MacroMicrohttps://www.macromicro.me/collections/7/us-housing-relative/1243/us-mortgage-rates

Astute Analytica, a market research consultancy, stated in its research report on the U.S.A. furniture industry for 2026 that the value of the U.S.A. furniture market is expected to grow from approximately US$185 billion in 2026 to an estimated US$336.7 billion to US$345.5 billion by 2035.

In recent years, influenced by high prices and tariff policies, furniture prices have risen significantly. U.S.A. consumers tend to prefer affordable furniture and emphasize smart home integrated furniture with multifunctionality, such as built-in wireless charging, IoT control, or sensor lighting. With the increasing awareness of environmental protection and health, in addition to the demand for size customization, market research shows that about 76% of U.S.A. consumers are willing to pay higher prices for sustainable products and demand material customization. Also, high-end brands are committed to eliminating harmful chemicals from products, reflecting the importance of safety and sustainable development in the North American market.

C. E-Commerce

The furniture consumption market structure has gradually evolved. At present, the number of consumers of generation Y has surpassed that of Generation X and has become an important force driving the market development. These new generation consumers are digital immigrants and like to pursue uniqueness. Owing to the qualitative change of consumer consumption habits, e-commerce has become the largest source of growth momentum in the furniture industry.

This is mainly due to the rising sales of online stores such as Amazon and Wayfair, and the traditional physical channel furniture suppliers have also actively developed online sales channels. For example, IKEA has gradually transferred its resources from its physical base to online retail channels and continues to invest to further integrate online and offline sales channels. According to TechNavio's report "Global Online Furniture Market 2025-2029," the online furniture market is expected to grow by US$282.1 billion during the period from 2024 to 2029, with a compound annual growth rate of 23.4% over the forecast period. It is expected that the turnover of the overall online retail industry in the United States and European markets will continue to grow, and e-commerce channels will become a new growth point in the global furniture market.

The Home Furnishings Association (HFA) in the U.S.A. reports that after 2026, consumers are expected to more commonly use augmented reality technology on their phones to simulate furniture placement when selecting high-end furniture and office furniture. This will initiate a "Research Online, Purchase Offline" mixed shopping model, with physical stores transforming into showrooms emphasizing tactile experiences.

2. Relationship Amongst Upstream, Midstream, and Downstream of the Industry

Upstream Raw material supplier	Midstream Furniture manufacturer	Downstream Distributors
Cowhide, cloth, wood, sponge and duck feather, etc.	Working drawings, wooden frame construction, cutting leather or cloth, sewn into sofa cover, insert foam and independent tube, and assembly of finished products after stretching	Large chain sellers, dealers, and retail stores

The Company mainly engages in the R&D, production, and sales of indoor furniture and ranks in the middle stream of the furniture industry. The upstream is mainly raw material suppliers such as cow hide, cloth, wood, sponge, and duck feather, while the downstream is mainly large chain sellers, dealers, and retail stores. The Company has been in the business of production and sales of indoor furniture for two decades and has long-term collaboration with upstream raw material suppliers to master the source of purchase.

The Company has undergone years of development, and our production scale has been expanding. Currently, we have five production plants in China. The production capacity of our factory in Cambodia is continuously expanding, aiming to reduce risks associated with concentrated production capacity and trade tariffs, thereby mitigating the impact of the US-China trade war.

The main production technology personnel have many years of indoor furniture manufacturing experience, and the production line has high stability. The quality, price, or delivery time are competitive. The Company's main customers are North American brand furniture companies with whom the Company has being business for many years. As the product quality and delivery are quite stable, both parties enjoy good cooperative relationship. Through the advantages of direct contact and cooperation with brand customers, the Company timely grasp the development momentum and trends of the

North American furniture market, and jointly develop and design products with customers to enhance customer satisfaction, and further strive for sustainable order growth. On the whole, there is no significant change in the upstream, middle and downstream of the furniture industry. The Company has long-term contacts and cooperation with upstream raw material suppliers, and downstream main customers, and there should be no significant operational risk.

3. Various Development Trends of Products

(1) The Rise of E-Commerce in Network Sales

The proportion of online sales in the global furniture market has increased year by year, and online channels have become a new engine for the development of the global furniture market. In the future, with the continuous expansion of e-commerce channels and the development of ancillary industries such as logistics and electronic payment, the proportion of the online furniture market is expected to continue to expand.

(2) Pay Attention to the Concept of Green Environmental Protection

Consumers' awareness of environmental protection and health has been improved to promote the growth of demand for environmentally friendly furniture. The global environmental regulations are increasingly strict. Furniture manufacturers should be cautious in selecting materials for production. For example, materials that do not release toxic gases during production, and coatings must also comply with environmental protection regulations. Furniture with the concept of green environmental protection will become mainstream in the future.

(3) Customized to Meet Personal Taste

With the improvement of living standards and the emphasis on the enjoyment of living environment, furniture is no longer just the furnishings of living space, but also a part of life scenario. Consumers express their personality through furniture, so the design style, material, practicality, comfort, and multifunctionality of furniture close to personal taste cannot be ignored. Modern consumers are not satisfied with the appearance design, material touch, or color collocation of traditional standard finished furniture, so in recent years, the demand for customized furniture is increasing year by year, and it will become a very important way to choose furniture in the future.

4. Competition

The global furniture market has a large scale. The United States is the largest furniture importing country.

Global furniture vendors and manufacturers are actively deploying the U.S. market. The Company is engaged in R&D, production, and sales of furniture. Its main sales market is North America, whilst its production bases are located in China and Cambodian. The Company has invested in the indoor furniture industry for many years, and its production scale is expanding day by day. The production technicians all have many years of furniture manufacturing experience, and the production line is stable. Through the advantages of direct contact and cooperation with brand customers in the United States, the Company timely grasps the development momentum and trends of the North American furniture market, and jointly develops and designs products with customers, so as to enhance customer satisfaction, In China, furniture manufacturers export to North America and occupy a stable position.

The production capacity of the Company's newly built Cambodia plant is continuously expanding, and the Company has allocated resources, including equipment and personnel, to Cambodia to quickly adjust manufacturing processes. It is expected to be a one-stop manufacturing chain akin to the China plant so as to extract most value out of it. In mid-2025, the Company completed the increase in the utilization rate of the Cambodian plant's production line, and the shipment ratio in that area has now increased to over 60%. This move will not only diversify the risks of excessive concentration of production, but will also supercharge the Company's future profit margin outlook and rev up the Company's operating momentum. At the same time, the Company is actively expanding into non-North American markets, including new customers in Europe, the Middle East, Russia, and Japan.

(III) Technology and R&D

1. Costs of Research and Development During the Current Fiscal Year and as of the Date of the Annual Report

Unit: NT$ thousand

Item	2025	First quarter of 2026
Costs of research and development	79,426	18,817
Operating revenue	3,424,960	893,999
Percentage of operating revenue (%)	2.32	2.10

2. Technologies or Products Successfully Developed in the Most Recent Year and up to the Date of Publication of the Annual Report

Year	Technical products	Description
2025	All products upgraded to pass SGS and MTS certifications	In recent years, the R&D team has unceasingly upgraded the Company's existing products to ensure that the products comply with SGS, MTS and other international certification, providing customers with safe and reliable products and comfortable life, successfully expanding our presence in the European market.
	Mixed material furniture	Enhancing the comfort and giving upholstered furniture a modern artistic twist with different material design, the R&D team successfully develops mixed material upholstered furniture with customers. In addition, unlike the previous design of hardwood furniture with a single material, the Company's team co-developed a composite material technology with customers successfully, combining wood, pig iron, glass, marble and other elements, to create a variety of hardwood furniture such as dining tables, coffee tables, cabinets, etc. modern art style.

(IV) Long and Short Term Business Development Plans

1. Short Term Business Development Plans

(1) In response to the impact of tariffs and economic fluctuations in 2025, "precision marketing" and "flexible production" will be adopted concurrently in 2026.

(2) For key major clients, provide "exclusive design line" services. By leveraging the advantages of JIT (Just-In-Time) production, the Company helps customers reduce inventory costs in exchange for stable order shares; targets high-end chain furniture retailers in the UK, Germany, and Australia to offset the political risks of the single United States market; and extends from indoor sofas to high-end outdoor furniture to explore new growth curves.

(3) And continue to maintain industry-leading rapid delivery times. Through a digital order management system, achieve full process transparency from "order to shipment," enhancing the ability to handle high-end customized orders. Additionally, increase the internal production percentage of foam, wooden frames, and hardware to reduce reliance on external supply chains, thereby controlling costs.

2. Long Term Business Development Plans

(1) Continue to consolidate the North American market, strengthen the footprint in major global economic markets such as Europe, Japan and China, and strive to reduce the political and economic risks in the North American market.

(2) Continue to introduce excellent R&D and design talents, ceaselessly seek collaboration opportunities with renowned designers in the industry, expand R&D team, strengthen joint development and collaboration plans with customers, design products closer to consumers.

(3) Further reinforce and highlight the core competitiveness of mass production for customized orders, and apply the successful model to more brand channels to improve the Company's profit.
(4) Unceasingly promote cost control, stabilize product quality, improve production and management systems, and improve operational efficiency.
(5) Formulate relevant brand promotion strategies, and production and sales activities, provide domestic customers with better services and competitive prices through localization efforts, and gradually achieve the goal of operating our own brand.

II. Analysis of the Market as well as Production and Marketing Situation

(I) Market Analysis

1. Sales Regions

Unit: NT$ thousand

Region	2025		2024	
	Amount	Proportion (%)	Amount	Proportion (%)
U.S.A.	2,701,190	78.87	2,973,383	80.46
Cambodia	239,983	7.01	157,727	6.19
Europe	188,539	5.51	188,766	5.11
China	164,330	4.80	228,865	4.27
Others	130,918	3.81	146,674	3.97
Total	3,424,960	100.00	3,695,415	100.00

2. Market Share

The Company continues to focus on enhancing and stabilizing its Global Market Share as an operational priority. Building on the existing market share foundation in the primary North American market, the Company is gradually expanding into major economic markets such as Europe, Japan, and China to diversify the concentration risk of single markets and strengthen the stability of its overall market layout.

The overall operating environment in 2025 has been affected by multiple adverse factors, including the adjustment of import tariff policies by the new U.S. government and global inflation suppressing end consumer demand, leading to a more conservative outlook for the furniture market. The Company's annual revenue and net profit showed a decline compared to the previous year, and the growth momentum of the Market Share was also affected to a certain extent. In response to changes in the market environment, the Company continues to strengthen product quality and manufacturing efficiency, deepen vertical integration capabilities, and enhance market penetration and customer stickiness through product differentiation and customization strategies. At the same time, actively develop new customers and expand into new markets to broaden the market base and diversify operational risks. The Company will continue to monitor international economic conditions and policy changes, flexibly adjusting its operational strategies. While balancing risk management and profitability, the Company aims to steadily maintain and gradually increase its overall Market Share.

3. Future Market Supply and Demand and Prospect

In 2025, the sales of existing homes in the U.S.A. have grown compared to the past few years. However, the housing market is still affected by high housing prices and high mortgage rates, leading many homeowners to choose to replace furniture rather than move. This will drive a trend of replacing high-quality, durable furniture and home office furniture.

Astute Analytica, a market research consultancy, stated in its research report on the U.S.A. furniture industry for 2026 that the value of the U.S.A. furniture market is expected to grow from approximately US$185 billion in 2026 to an estimated US$336.7 billion to US$345.5 billion by 2035.

With the increasing awareness of environmental protection and health, in addition to the demand for size customization, market research shows that about 76% of U.S.A. consumers are willing to pay higher prices for sustainable products and demand material customization. Also, high-end brands are committed to eliminating harmful chemicals from products, reflecting the importance of safety and sustainable development in the North American market. Therefore, the company actively collaborates with customers to develop products in line with the concept of sustainable development.

4. Competitive Niche

(1) Positioned in the Mid to High Price Range

The Company positioning indoor furniture in the mid- to high-priced market. We are not only a traditional furniture manufacturing company but also committed to the transformation of OEM to ODM. The Company's sales market covers the top home brands in North America and focuses on the affluent consumer groups in the middle and upper levels of the pyramid as the end customers to provide high-quality furniture products to. The business cooperation relationship between the Company and the main customers is quite stable. Besides the production of furniture, the scope of service covers R&D, marketing, and after-sales service, so as to stabilize the position in the medium and high price indoor furniture market.

(2) Developing Customized Order

Since 2008, the Company has developed a Special Order to accept personalized orders from customers within a certain range of specifications and produce indoor furniture of different materials, colors, and sizes. Consumers on the west coast of the United States can receive the products in about five weeks and consumers on the east coast in about seven weeks. The Company has successfully developed the customized mode of indoor furniture, focusing on quality, speed, and product development ability, successfully avoiding the Red Sea competitive market.

(3) Strong Production Capacity

The Company has built a complete production chain of indoor furniture manufacturing. At present, there are five furniture production plants in China. The production capacity of the Cambodia factory continues to expand. Currently, the weekly output of all factories can export 28 containers of custom-made indoor furniture to all parts of the global market. The Company also continues to optimize technology, reduce production costs and improve process yield, and consolidate its competitive advantage in the furniture industry through the introduction of new products and new technologies.

5. Advantages and Disadvantages for Developmental and Action Plans

(1) Favorable Factors

A. Large-Scale Market

At present, the Company's sales outreach is predominantly in the North American market. Overall consumption capacity still retains its resilience. In addition to actively looking for cooperation with large well-known brand furniture manufacturers to consolidate the North American market, the Company also actively expands other markets such as Australia, Europe, and China. Further, the orders of the Company's major customers of hardwood products are growing steadily, thus the future operating scale still has a lot of room for growth.

B. Stable Customer Relationship

The Company's main customers include large furniture groups in North America, large professional retailers of household products, etc. We have been doing business with each other for many years. Due to the stable product quality and delivery time, we have a good relationship with customers. Of the top 100 furniture brands in the United States Furniture Today reported, CB Group and CA Group are the Company's top ten sales customers. At present, the Company not only produces the products designed by our customers but also cooperates in the design and development of new products to consolidate the business relationship with our customers.

C. Rich Operation Experience

The Company has been in the business of production and sales of indoor furniture for two decades. At present, there are five production plants in China, and the production capacity of the Cambodian plant continues to expand. The production capacity is continuously expanding. The main production technology members have many years of furniture technology and manufacturing experience, and the production line has high stability of yield, whether the quality, price, or delivery time are competitive. In recent years, we have stepped into the development of hardwood furniture products and expanded more potential business opportunities.

D. Master the Source of Purchase

The main production base of the Company is located in Zhejiang Province, China and the Tai Seng SEZ in Bavet City, Cambodia. The raw materials of cowhide and cloth are not only imported from foreign manufacturers but also purchased from domestic neighboring suppliers. The raw materials of sponge and wood are mainly purchased from domestic neighboring suppliers. The Company has established stable supply and sales relationships with our major suppliers in long-term cooperation, and together we have gained customers' recognition of the quality and stability of our products, so the supply of raw materials is not a problem.

(2) Adverse Factors

A. Economic Cycle

The economic prosperity of the United States has a direct impact on the number of new housing construction cases and the amount of disposable income of families, and also on the consumer demand for furniture. Currently, the U.S. housing market is still affected by high housing prices and high mortgage rates, which reduce consumer demand for furniture. It is expected that protectionist policies from the new U.S. government will also negatively impact global trade markets in the future.

<u>Countermeasures</u>

In addition to continuing to strategically develop customized indoor furniture products and deepen the cooperative relationship with customers to improve the penetration rate in the North American market, the Company also actively expands major global economic systems such as Australia, Europe, and China to reduce the risk of business fluctuation in a single market through its sales distribution in different regional markets. With the production capacity’s supply falling short of demand in Southeast Asia, the Company will gradually raise prices for individual customers. The Company is also engaged in in-depth discussions with customers to expand order volumes, laying a solid foundation for exploring new markets.

B. Labor Costs Increase

The Company's production base is located in China. In recent years, wages in China have been continuously increased for many years, and various labor rights protection policies have been implemented, which has led to the increase of enterprise labor costs year by year. China is also facing an aging population, higher education and income standards. With the change of social value, the labor supply will decline, and the wages of workers will remain at a high level. As a result, the labor cost of enterprises will continue to increase.

Countermeasures

The Company attaches great importance to long-term employment, experience inheritance, and technical training of employees. Experienced senior technicians are responsible for leading new employees to quickly familiarize them with production the process and quality inspection, connect performance with salary promotion, reduce the mobility of technical workers, and reduce the time and learning cost of talent recruitment and replacement. In addition, the Company has allocated resources, including equipment and personnel, to the subsidiary in Cambodia to quickly adjust manufacturing processes and improve the production capacity and efficiency.

C. Changes in Raw Material Prices

The Company's main raw materials for the production of leather and cloth prices will increase procurement costs, which may erode sales margin; When the price of raw materials falls, it may also face the pressure of downstream customers to reduce the price, so the fluctuation of raw material price will have an impact on the profitability.

Countermeasures

The Company keeps track of the market price of main raw materials at any time and timely adjusts the inventory according to the fluctuation of raw material price. When the price of main raw materials fluctuates greatly, the Company's business units will negotiate with customers to adjust the selling price, so as to reduce the impact of fluctuations in the price of raw materials on the profits of both parties and create a win-win situation with customers.

D. Exchange Rate Fluctuation Risk

The Company's target sales market is North America. Sales transactions are mainly priced in US dollars. The production base is in China. Overseas import procurement transactions are mainly priced in US dollars. Domestic procurement transactions are mainly priced in CNY. The functional currency of the Company is US dollar, and when the exchange rate of CNY against the US dollar fluctuates greatly, it will have a certain impact on the profitability.

Countermeasures

The Finance Department of the Company always pays attention to the changes of international exchange market information and economic factors, regularly obtains the financial information of financial institutions, grasps the trend of the exchange rate, and reduces the impact of exchange rate changes on profits. The Company has formulated the "Procedures for Handling Derivative Financial Products Transactions", and may perform relevant hedging operations according to the procedures depending on the foreign currency position and exchange rate fluctuations, so as to reduce exchange rate risk.

(II) Major Applications and Processes of Major Products

1. Key Applications of the Primary Products

Main products	Important use description
Indoor furniture	General household furniture supplies, such as sofa, bed, foot rest, and dining chair.

2. Production Process of the Primary Products

① Select style, size, and material

② Typesetting

③ Making wooden frame

④ Cut leather or cloth

⑤ Sewn into sofa cover

⑥ Put in foam and independent tube

⑦ Assembly of finished products after stretching

The production and manufacturing process of indoor furniture varies according to the type and design, usually from inside to outside. The production process is to select the style, size, and external material (leather or cloth), and make a detailed design for the dimensions of all parts of indoor furniture, so as to facilitate subsequent production of wood strips and boards, cutting raw material leather or raw material cloth according to this version, and then making an elastic belt or black leather belt on the back frame and base. After the belt is fixed, foam and independent cylinders are placed to make a wooden frame. The leather or cloth is cut according to the version type and then sewed. The leather sleeve sewn by the cutting car is fixed and stretched on the frame which has been placed on the foam and independent cylinders, and assembled into complete indoor furniture.

(III) Supply of Main Raw Materials

The main raw materials of the Company are cattle hide and cloth. In principle, there are more than two suppliers to increase the flexibility of supply sources. The payment to suppliers is normal and good. The purchasing department is responsible for maintaining the relationship with suppliers. The supply of main raw materials is normal and there is no supply interruption.

(IV) List of Major Customers

1. The Company's purchasing suppliers are diversified, and in the past two years, there has been no situation where purchases from a single supplier accounted for more than 10% of the total purchases.
2. The names of customers who have accounted for more than 10% of the total sales in any one of the most recent two years, and the amount and proportion of their sales, together with the reasons for their increase or decrease Note on increase or decrease

Unit: NT$ thousand

Item	2025				2024			
	Name	Amount	As a percentage of net sales	Relationship with the Company	Name	Amount	As a percentage of net sales	Relationship with the Company
1	CB Group	1,040,632	30.38%	None	CA Group	1,052,288	28.48%	None
2	CC Group	637,970	18.63%	None	CB Group	1,037,262	28.07%	None
3	CA Group	507,778	14.83%	None	CC Group	459,775	12.44%	None
	Other	1,238,580	36.16%	-	Other	1,146,090	31.01%	-
	Net sales	3,424,960	100.00%		Net sales	3,695,415	100.00%	

Note on increase or decrease:

① CA Group:

CA Group is a large furniture and household products group famous for its classic American style. In recent years, with adjustments to its operational strategy, the cooperation model with suppliers has gradually shifted from primarily OEM production to having suppliers provide product design solutions. These are then screened by CA Group before further production and manufacturing are entrusted to the suppliers.

In addition, considering changes in the international trade environment and the impact of tariff policies, CA Group continues to optimize its supply chain and adjust regional configurations. Certain product series are now produced by suppliers in Southeast Asia, while some large product series are relocated back to its local factories in the U.S.A. to enhance supply chain flexibility and reduce potential risks. Due to the changes in the cooperation model and supply chain reorganization mentioned above, the proportion of The Company's sales to CA Group has shown a declining trend year by year.

② CB Group::

CB Group is a globally renowned specialty retailer of high-quality household goods with over 600 brick-and-mortar stores worldwide, more than half of which are located in The United States Market. In view of the potential risks brought by changes in international trade tariff policies, the Company actively collaborates with customers' supply chain adjustment strategies by gradually transferring the related product lines to the production base in Cambodia, in order to enhance overall supply chain flexibility and reduce the impact of tariffs.

The Company continues to improve in manufacturing technology, product quality, and customer service, consistently meeting all customer requirements. It also continues to take on existing orders and new product development projects, maintaining good cooperative relationships. In recent years, however, the global high inflation and high interest rate environment have slowed down consumer demand in the end market, posing certain challenges to the overall operational performance.

③ CC Group:

CC Group is the leading digital interior design and home e-commerce integration platform in the U.S.A., dedicated to providing consumers with a one-stop home design and shopping experience. As the customer base and sales scale continue to grow, the group's overall order volume also shows a steady upward trend, reflecting the simultaneous increase in business demand and market acceptance.

III. Number of Employees in the Past Two Years up to the Report Printing Date

Unit: Person

Year		End of 2024	End of 2025	April 24, 2026
Number of staff	Direct employees	1,902	1,700	1,702
	Indirect employees	493	404	399
	Total	2,395	2,104	2,101
Average age (year)		42.03	41.15	42.02
Average year of services		7.24	7.52	7.41
Academic distribution ratio	Ph.D	-	-	-
	Masters	5	3	4
	University/college	379	366	379
	Senior high school	453	393	382
	Below senior high school	1,558	1,342	1,336

IV. Environmental Protection Expenditure

Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company has not experienced any significant environmental pollution incidents or related losses.

V. Labor Relations

(I) Details of various employee welfare measures, further education, training, retirement systems, and their implementation, as well as the agreements between employees and the Company and various employee rights and interests protection measures:

1. Various Employee Benefits

(1) Employees have periodic team dinners, year-end party dinners, and lucky draw activities.

(2) Provide employees with convenient group dining environment.

(3) Provide employees with free uniforms and parking spaces for cars and motorcycles.

(4) Provide employee dormitories or housing allowances.

(5) Provide employees with opportunities to participate in various training and seminars to broaden their horizons and enhance work efficiency.

(6) The Company provides regular health check-ups for employees every two years to ensure their well-being.

(7) Provide sports facilities, including a badminton room and a basketball court, for employees to relieve stress and promote work-life balance during breaks and after work.

(8) The Company will distribute consolation money during special holidays such as Chinese New Year, Mid-Autumn Festival, Women's Day, etc. In addition, high-temperature allowances will be provided during the summer period to show concern for employees working in hot weather.

The Company has always been committed to achieving a balance between employees' work and life, allowing employees and their families to fully experience the Company's corporate culture and enhancing employees' self-value recognition and stability.

2. Continuing Education and Training

The Company attaches great importance to employee training, including pre-employment training, on-the-job training, and external training subsidies (full subsidy for assigned training), pragmatic education and training system, fully providing employees with internal and external on-the-job education and training, functional development and career planning according to different attributes of employees, enhancing their professional knowledge or skills training to improve qualifications and skill levels of employees.

3. Implementation Status of the Pension System

   To take care of the post-retirement life of our employees, the Group and its subsidiaries have already complied with local regulations to monthly contribute to the employees' pension insurance or allocate retirement funds to designated accounts.

   Taiwan subsidiaries:

   A. Old System: According to the relevant provisions of the Labor Standards Act, 2% of the total monthly salary is allocated as employee retirement reserve and entrusted to the Labor Retirement Reserve Supervisory Committee to be deposited in a dedicated account at the Bank of Taiwan. And in accordance with the Labor Standards Act, process the payment of employee retirement benefits.

   B. New System: Starting from July 1, 2005, employees who choose to apply the retirement pension system under the Labor Pension Act will have 6% of their monthly salary allocated to their personal retirement pension account at the Bureau of Labor Insurance.

   Subsidiaries in Mainland China and other regions:

   According to the regulations of the local government, a certain proportion of the total employee salary is allocated to the pension insurance fund and paid to the relevant government department. The fund is deposited in individual accounts for each employee.

4. Employee-Employer Agreements and Measures Taken to Safeguard Employee Interests

   The Company values employee opinions and actively promotes democratic management and transparency in operations. Regular employee representative meetings are held to facilitate communication and coordination of employee feedback, in order to maintain a good labor-management relationship. As of now, there have been no significant labor disputes.

(II) State the losses incurred due to labor disputes in the most recent year and up to the date of publication of the annual report (including the violation of the Labor Standards Act by the results of labor inspection, the date of punishment, the reference number of the punishment, the provisions of violation of laws and regulations, the contents of punishment shall be listed), and disclose the estimated amount and the corresponding measures that may occur at present and in the future. If it cannot be reasonably estimated, the facts that cannot be reasonably estimated shall be stated:

The Company's relationship with employees has always been harmonious, and there has been no material labor dispute in the most recent year and up to the date of publication of the annual report.

VI. Information and Communications Security Management

(I) Description of information and communications security risk management framework, security policies, specific management plans and resources invested in information and communications security management, etc.:

1. Information Security Risk Management Framework

To implement information security management, the Company has established the "Information Security Management Policy" and related operational guidelines. It has also implemented information work plans based on these policies, strictly enforcing information security policies, firewall controls, application processes, and other measures to reduce the Company's information security risks.

The Company's current information security related matters are handled by the Information Department supervisor.

2. Information and Communications Security Policies

A. The information department is responsible for coordinating the promotion of information security management related matters.

B. The Company's personnel shall abide by the Company's information or confidentiality security specifications.

C. Appropriate backup, backup or monitoring mechanisms have been established for important information systems or equipment, and regular drills have been conducted to maintain their availability.

D. Personal computers are equipped with anti-virus software, and regularly updated with latest anti-virus modules, and the use of unauthorized software is prohibited.

E. Colleagues are requested to keep their account numbers, passwords and access rights of colleagues properly and passwords are changed regularly.

F. Upon the discovery of any information security incidents, the information security liaison officer shall be notified immediately.

3. Specific Management Plans and Resources Invested in Information and Communications Security Management

A. Establish database backup mechanism in information system architecture to reduce data loss risk.

B. Regularly conduct simulation tests to ensure the normal operation and data security of the information system.

C. Outsource maintenance services to professional computer information vendors.

D. System access control, development and maintenance of security management.

E. Set up network firewall, install anti-virus software, set folder access rights, and encrypt data.

F. Regularly maintain and run anti-virus scans on the Company's computer equipment, network equipment and servers every month.

G. The concept of educating employees to use legal software correctly is to reduce the chances of computer virus infection and improve employees' awareness of information security.

(II) State the losses, potential impact and corresponding measures incurred due to information and communication security breaches. If it cannot be reasonably estimated, the facts that cannot be reasonably estimated shall be stated:

There has been no material information and communication security breaches and no related losses or impact in 2025 and up to the date of publication of the annual report.

VII. Important Contracts

As of the date of publication of the annual report, list the parties, main contents, restrictive clauses and the beginning and end of the date of the supply and marketing contracts, technical cooperation contracts, engineering contracts, long-term loan contracts, and other important contracts are still valid and expired in the most recent year, and other important contracts that are sufficient to affect shareholders' rights and interests.

(I) Hangzhou Hua Tong Industries

Nature of contract	Contract counterparty	Term	Major contents	Restrictions
Supply contract	CA Group Company	From July 29, 2010 to the termination of the contract	Commodity supply agreement, both parties agree on the specific supply content in the form of order	None
Supply contract	CB Group Company	From July 19, 2011 to the termination of the contract	Commodity supply agreement, both parties agree on the specific supply content in the form of order	None
Short term export credit insurance contract	China Export & Credit Insurance Corporation Zhejiang Branch	2025.12.01~2026.11.30	Export credit insurance for non-letters of credit and letter of credit payment methods, with a maximum coverage limit of US$25 million. During the annual validity of the policy, the minimum insured export amount is US$105,000,000; If the actual declared amount is lower than the agreed insured amount, the corresponding premium shall be paid according to the actual average rate.	None
Financial contract	Tonglu sub-branch of Bank of Hangzhou Co., Ltd	2025.06.09~2026.06.08	Highest amount guarantee contract (RMB 66 million)	Hangzhou Hua Tong endorsement guarantee

(II) Shayne (Cambodia) Furniture Co., Ltd.

Nature of contract	Contract counterparty	Term	Major contents	Restrictions
Lease contract	XIN BAVET SPECIAL ECONOMIC ZONE CO., LTD.	2022.6.11~2071.6.10	Long term land lease contract	None

(III) Shaye (Macao Commercial Offshore) Limited

Nature of contract	Contract counterparty	Term	Major contents	Restrictions
Financial contract	Industrial and Commercial Bank of China (Macau) Limited	2019.02.28~2034.02.28	Installment loan contract for office building purchase	None

(IV) Shayne International Holdings Limited

Nature of contract	Contract counterparty	Term	Major contents	Restrictions
Lease contract	XIN BAVET SPECIAL ECONOMIC ZONE CO., LTD.	2019.11.04~2069.11.04	Long term land lease contract	None
Lease contract	XIN BAVET SPECIAL ECONOMIC ZONE CO., LTD.	2020.11.25~2069.11.04	Supplementary agreement of long term land lease agreement	None
Lease contract	XIN BAVET SPECIAL ECONOMIC ZONE CO., LTD.	2021.3.19~2069.11.04	Supplementary agreement of long term land lease agreement	None
Financial contract	CTBC Bank Co., Ltd. Hong Kong Branch	2025.09.01~2026.08.31	Bank Credit Line Comprehensive Limit Contract and General Agreement (USD 10 million)	Shane Global endorsement guarantee
Financial contract	DBS Bank (Taiwan) Ltd.	2022.07.12~2026.05.31	Credit contract (USD 10 million)	Shane Global endorsement guarantee

(V) Shane Global Holding Inc.

Nature of contract	Contract counterparty	Term	Major contents	Restrictions
Financial contract	CTBC Bank Co., Ltd. Hong Kong Branch	2025.09.01~2026.08.31	Bank Credit Line Comprehensive Limit Contract and General Agreement (USD 10 million)	None

Chapter 6. Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

I. Financial Position

(I) Major Reasons for Significant Changes in Assets, Liabilities, and Equity in the Most Recent Two Years and Their Impact:

Unit: NT$ thousands; %

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	2,379,102	2,208,057	(171,045)	(7.19)
Property, plant and equipment	2,347,314	2,129,153	(218,161)	(9.29)
Intangible assets	14,018	12,162	(1,856)	(13.24)
Other assets	373,070	332,312	(40,758)	(10.93)
Total assets	5,113,504	4,681,684	(431,820)	(8.44)
Current liabilities	1,308,680	1,510,368	201,688	15.41
Non-current liabilities	24,130	14,068	(10,062)	(41.70)
Total liabilities	1,332,810	1,524,436	191,626	14.38
Share capital	1,074,440	1,074,440	-	-
Capital surplus	1,268,739	1,268,739	-	-
Retained earnings	1,434,224	1,218,389	(215,835)	(15.05)
Other equity	(80,128)	(219,886)	(139,758)	174.42
Treasury stock	-	(262,436)	(262,436)	100
Non-controlling interest	83,419	78,002	(5,417)	(6.49)
Total shareholders' equity	3,780,694	3,157,248	(623,446)	(16.49)

If the change in the two periods exceeds 20% and the amount of change is more than NT$10 million, the analysis and explanation are as follows:

1. Non-current liabilities: Mainly due to the decrease in non-current lease liabilities recognized under IFRS 16 in 2025.
2. Other equity: Mainly due to exchange differences arising on translation of financial statements caused by changes in exchange rates.
3. Treasury stock: Due to the repurchase of treasury shares in 2025.

Source: The consolidated financial statements audited by the CPAs.

(II) Future Response Plan: The aforementioned changes have not had a significant adverse impact on The Company. The strategic goals for The Company's finance and business are to continue expanding operations and enhancing order-taking capacity.

II. Financial Performance

(I) Major Reasons for Significant Changes in Operating Revenue, Operating Profit, and Income Before Income Tax in the Most Recent Two Years and Their Impact:

Unit: NT$ thousands; %

Item \ Year	2024	2025	Difference	
			Amount	%
Operating revenue	3,695,415	3,424,960	(270,455)	(7.32)
Operating costs	2,423,688	2,326,972	(96,716)	(3.99)
Gross operating profit	1,271,727	1,097,988	(173,739)	(13.66)
Operating expenses	833,743	799,694	(34,049)	(4.08)
Operating profit	437,984	298,294	(139,690)	(31.89)
Non-operating income and expenses	102,497	27,459	(75,038)	(73.21)
Income before income tax	540,481	325,753	(214,728)	(39.73)
Income tax expense	69,078	86,251	17,173	24.86
Net profit for the year	471,403	239,502	(231,901)	(49.19)
Other comprehensive (loss) income	208,759	(142,351)	(351,110)	(168.19)
Total comprehensive income for the year	680,162	97,151	(583,011)	(85.72)

If the change in the two periods exceeds 20% and the amount of change is more than NT$10 million, the analysis and explanation are as follows:

1. Non-operating income and expenses: Mainly due to the gain from the sales of property by the subsidiary, Hua Tong, for the 2024 Year.
2. Income tax expense: The local tax bureau in China required a self-assessment of income tax from previous years, and Hangzhou Huadong Company independently adjusted and paid the back taxes for corporate income tax from previous years.
3. Other comprehensive (loss) income: Mainly due to the impact of exchange rate, which resulted in fluctuations in the exchange differences arising on translation of financial statements of foreign operations.
4. Operating profit, income before income tax, and net profit for the year: Due to the decrease in operating revenue in 2025.

Source: The consolidated financial statements audited by the CPAs.

(II) Projected Sales Volume and the Basis of Estimation and the Potential Impact and Remedial Plans for the Company's Future Finance and Operation:

The expected sales volume of the Company is based on the sales performance of previous years, the estimation of market demand and the customer orders that have been mastered, and the supply of main raw materials and other factors to set the annual shipping target. In the future, the Company will actively explore new customer sources based on changes in market demand. Increase market share to enhance company profitability, anticipating sustainable business growth in the future. In the future, capital expenditures will be increased in response to the expansion of business scale, continuous investment in product development, strengthening of company operations management and cost control, in order to promote business growth and improve profitability.

III. Cash Flow

(I) Cash Flow Analysis for the Current Year

Unit: NT$ thousands; %

Item / Year	2024	2025	Increase (decrease)	
			Amount	Proportion (%)
Net cash inflows (outflows) from operating activities	581,092	370,509	(210,583)	(36.24)
Net cash outflows from investing activities	(38,991)	(275,596)	(236,605)	606.82
Net cash outflows from financing activities	(265,722)	(496,226)	(230,504)	86.75

Analysis of changes:

1. Operating activities: Due to the decrease in operating revenue in 2025.
2. Investing activities: Mainly due to an increase in the amount of financial assets measured at amortized cost acquired in 2025 Year.
3. Financing activities: Mainly due to the purchase of treasury shares in 2025.

(II) Liquidity Improvement Plan and Cash Flow Analysis for the Following Year:

The Company's operating activities will continue to generate net cash inflows and are expected to remain sufficient to cover cash outflows to investing and financing activities; therefore, there is no risk that the Company will run out of cash in the coming year. However, in the event of a cash flow shortage, the Company will use bank borrowings to meet the shortfall. The Company has close relationships with banks and has established good credit facilities. The Company has sufficient working capital and is not in danger of financial liquidity or shortage of funds.

IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year

The Company purchased property, plant, and equipment in the amount of NT$51,442,000 in 2025, mainly for the new plant ancillary equipment of its Cambodian subsidiary and the machinery and equipment required for the additional production lines of its subsidiary in China, Hangzhou Hua Tong, as well as for the renovation of the plant. The source of fund is its own capital, which has no significant adverse effect on the Company's financial position according to the Company's profit status.

V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for Coming Year

(I) Investment Policy:

The Company's investment policy is required to cooperate with the group operation. The operating incomes of the subsidiary companies are stable due to the support of the European and American markets. At present, the investment policies and operation procedures follow the "Measures for Acquisition or Disposal of Assets" and "Measures for Supervision and Management of Subsidiaries" approved by the Board of Directors or shareholders' meeting, and operate in accordance with the investment cycle provisions of the internal control system; In addition to complying with the Company's regulations, the invested subsidiaries also consider the local laws and actual operating conditions for proper internal control management.

(II) Reasons for Profit or Loss and Improvement Plan:

Unit: NT$ thousand

Investment company	Reinvested company	2025 investment profit (loss)	Reasons for profit or loss and improvement plan
SHANE GLOBAL HOLDING INC.	Shayne International Holdings Limited	258,572	Investment holding company. It is the profit and loss of investment recognized for the subsidiary.
Shayne International Holdings Limited	Shayne Holding Inc.	(183,916)	Investment holding company. It mainly refers to the profit and loss of investment recognized for the subsidiaries, Hangzhou Hua Tong Industries and Hangzhou Rilong Leather Limited Company.
Shayne International Holdings Limited	Shayne (Macao Commercial Offshore) Limited	240,777	Operations are in good condition.
Shayne International Holdings Limited	Spectra Home LLC	(6,621)	A trading company in the United States. The main reason is that the shipment in the U.S. market is not as ideal. In the future, we will actively explore the market and improve the loss status.
Shayne International Holdings Limited	JV International, LLC	(20)	A trading company in the United States. In the future, due to the adjustment of the group's policies, the goal will be to balance the profits and losses.
Shayne International Holdings Limited	Shayne USA, LLC	(2,093)	A trading company in the United States. In the future, due to the adjustment of the Group's policies, the goal will be to balance the profits and losses.
Shayne International Holdings Limited	Shayne Furniture (Thailand) Co., Ltd.	(533)	Due to the production strategy of the Group, the production capacity in Thailand will be relocated to Cambodia and is currently non-operational.
Shayne International Holdings Limited	Shane (Cambodia) Furniture Co., Ltd.	244,876	Production company in Cambodia is operating well.
Shayne International Holdings Limited	Xin Huatong (Cambodia) Packaging Co., Ltd.	3,117	Packaging company in Cambodia is gradually getting on track with its operations.
Shayne Holding	Hangzhou Hua Tong	(181,377)	The main reason is that the shipment is

Investment company	Reinvested company	2025 investment profit (loss)	Reasons for profit or loss and improvement plan
Inc.	Industries		not as ideal. In the future, we will actively explore the market and improve the loss status.
Shayne Holding Inc.	Hangzhou Rilong Leather Limited Company	(2,559)	The company makes leather products, and it mainly processes leather products for Hangzhou Hua Tong Industries.
Hangzhou Hua Tong Industries	Ketu Furniture (Shanghai) Co., Ltd.	(1)	Mainly responsible for the promotion business in the Chinese market. Due to the completion of the phased tasks, in order to simplify the organizational structure and integrate internal resources, on November 9, 2021, the Board of Directors passed the liquidation and dissolution of the company, and completed the deregistration on February 26, 2025.
Hangzhou Hua Tong Industries	Hangzhou Ketu Trading Co., Ltd.	(2,369)	Foreign trade company in Hangzhou, in the future, due to the adjustment of the Group's policies, the goal will be to balance the profits and losses.

(III) Investment Plan for the Next Year:

The Company's investment plan is aligned with operational needs. Besides, there is no clear investment plan that has been submitted to the Board of Directors for discussion. If there are relevant investment plans in the future, they will be handled in accordance with relevant regulations.

VI. Risk Management and Evaluation for the Most Recent Year and up to the Date of Publication of the Annual Report

(I) Effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Changes in interest rates

The Company's interest income for 2025 and 2024 Year was NT$15,321,000 and NT$9,800,000 respectively, accounting for 4.70% and 1.81% of net profit before tax, respectively. The interest expense was NT$6,122,000 and NT$2,438,000, accounting for 1.88% and 0.45% of net profit before tax, respectively. Hence, changes in interest rates did not have a significant impact on the profit and loss. In recent years, the Company has had stable operating cash inflows and ample self-owned funds, having a relatively low reliance on borrowing from financial institutions. Therefore, even if interest rates change in the future, the Company is not likely to face material risks such as a decrease in interest income or an increase in interest expenses due to interest rate fluctuations. As a result, interest rate changes do not have a significant impact on the Company's operations and profitability.

The Company will pay attention to international financial information related to exchange rate at all times and keep close relationships with financial institutions to keeps abreast of exchange rate change trends. Meanwhile, the Company will adjust various currency holding positions according to the exchange rate change to reduce the impact of the exchange rate change on profit and loss.

2. Changes in exchange rates

The Company's export sales are mainly priced in US dollars, a small part in Euro, and domestic sales are mainly priced in CNY; Purchase transactions are priced separately in US dollars and CNY. As the main production bases are located in China and Cambodia, and the local daily expenses in China need to be paid in CNY, so there is the risk of exchange rate change between US dollar and CNY.

The net foreign currency exchange profit (loss) of the Company in 2025 and 2024 Year is NT$(10,578,000) and NT$27,911,000 respectively, accounting for (3.25%) and 5.16% of the net profit before tax respectively. Therefore, the exchange rate change has no significant impact on the profit and loss. The Company will pay attention to international financial information related to exchange rate at all times and keep close relationships with financial institutions to keeps abreast of exchange rate change trends. Meanwhile, the Company will adjust various currency holding positions according to the exchange rate change to reduce the impact of the exchange rate change on profit and loss.

3. Inflation

When the price rises, the Company's purchase cost and sales price will increase relatively, which may have an impact on the profit and loss. The Company maintains good interaction with customers and suppliers, keeps abreast of changes in the sales market and upstream raw material prices at any time, and flexibly adjusts sales and procurement policies to reduce the impact of inflation on profits and losses. To this date, the gains/losses of the Company has not been significantly impacted by inflation.

(II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

By adhering to the conservatism principles and the concept of pragmatic approach to business operations. The Company focuses on the core businesses and has never engaged in high-risk, high-leverage investments. In addition, the Company has formulated relevant measures such as "Procedures for Loan of Funds to Others", "Procedures for Endorsement and Guarantee", "Procedures for Acquisition or Disposal of Assets" and "Procedures for Transaction of Derivative Financial Products" as the basis for the Company and its subsidiaries to conduct relevant operations. As of the date of publication of the annual report, except for the plan of financing and endorsement and guarantee among the enterprises incorporated into the Company's consolidated financial statements, there is no circumstance of loan of funds to others or endorsement and guarantee for others, and there is no valid derivative financial product transaction contract, so the relevant risks should be limited.

(III) Future R&D plans and expected R&D expenditure:

Although the Company is in the traditional furniture manufacturing industry, in order to enhance the competitiveness of its products, the Company also invested in research and development of new product design drawings, process improvement, and sample production and trial production. The research and development expenses committed in 2025 and 2024 Year were NT$79,426,000 and NT$93,219,000 respectively. The future R&D plan includes continuous development of process technology, reduction of production cost, and improvement of quality. In order to meet the market pulse and meet the needs of consumers in different markets, new products are continuously developed. With the growth of performance, the Company will continue to invest in R&D expenses to enhance the Company's production strength and sales competitiveness.

(IV) Effect on the Company's financial business of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

The Company is domiciled in the British Cayman Islands, a country with an open economy and no foreign exchange controls, which provides a stable investment environment; its principal subsidiaries operate in China, Macau, the Republic of China, and Cambodia, where the political and economic environment is still stable. The Company's production and business operations are conducted in accordance with the policies and legal regulations of the countries in which it is registered and operates, and will keep abreast of policy developments and legal changes and their impact on the Company in order to take appropriate countermeasures. Therefore, there were no significant changes in domestic or foreign policies and laws that had a material impact on the financial operations of the Company for the most recent year and up to the date of printing of the annual report.

(V) Effect on the Company's financial operations of developments in science and technology (inclusive of information and communications security risks) as well as industrial change, and measures to be taken in response:

The Company will continue to monitor changes in technology related to the industry in which it operates, keep abreast of the latest trends in products and assess the impact on its financial operations. Over the latest year and as of the date of the annual report, there is no change in technology and industry environment that has an impact on the Company's financial operations.

(VI) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response:

Since its establishment, the Company has been adhering to the principles of ethics and professional management, focusing on the R&D, production, and sales of indoor furniture, actively strengthening internal management, so as to improve quality and efficiency, and comply with relevant laws and regulations. In the most recent fiscal year and up to the date of publication of the annual report, the Company has not changed its corporate image, resulting in any crisis management.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

There is no merger plan for the most recent year and up to the date of publication of the annual report. However, if there is a merger plan in the future, it will be handled in accordance with the local laws and regulations and the relevant management measures formulated by the Company. In order to reduce the possible risks, if a potential merger target company is found, it will hold a prudent evaluation attitude, examine the comprehensive benefits of the merger, consult professionals, and handle the merger and acquisition procedures with reasonable conditions, so as to ensure the interests of the Company and sort out the shareholders' rights and interests.

(VIII) Expected benefits and possible risks of facilities expansion, and countermeasures:

As of the date of printing of this annual report, the Company has no facilities expansion, therefore it is not applicable.

(IX) Risks associated with concentrations of purchase or sales and countermeasures:

1. Purchase

The Company is mainly engaged in the R&D, production, and sales of indoor furniture. In 2025 and 2024, the ratio of purchase from a single manufacturer is no more than 15%. In order to avoid the risk of supply shortage or interruption, on top of maintaining good cooperation with suppliers, the Company has more than two suppliers of main raw materials, and most of them are well-known large enterprises in the industry. The supply quality is good and the delivery is quite stable. Therefore, in the most recent year and up to the date of publication of the annual report, there was no shortage of goods that had a significant impact on the overall operation or the interests of customers.

2. Sales

The Company's main customers are furniture brands and retailers in North America. In 2025 and 2024, the ratio of net sales to the largest customer is 30.38% and 28.48%, respectively, and there is a situation of concentrated sales. However, the two sides have maintained a good business relationship for a long time, and there should be no major adverse risk. In addition to continuing to explore the North American furniture market, the Company also actively develops other new regional markets, strives for the order cooperation opportunities of large manufacturers in Australia and Europe, and plans to expand the domestic demand market in China. In addition to opening sales channels, the Company also plans to launch its own brand. By developing new international markets and developing domestic sales in China, the Company will increase a more diversified customer base and gradually reduce the concentration of sales on a single customer.

(X) Impact and risk associated with large share transfers or changes in shareholdings of directors, supervisors, or shareholders who hold more than 10% of the Company's shares, and countermeasures:

The Company has no operational risk arising from the transfer or replacement of a large number of shares of directors, supervisors, or major shareholders holding more than 10%.

(XI) The impact, risks, and countermeasures of the change of management on the Company:

During the most recent year and up to the date of publication of the annual report, there was no change in the Company's management.

(XII) Disclosure of issues in dispute, monetary amount of claims, filing date, parties involved, and status of any litigation or other legal proceedings within the latest fiscal year and as of the date of the annual report where the Company and/or any of its directors, supervisors, president, person in charge, shareholders with 10% or more share ownership, or affiliates are involved in pending litigation, legal proceedings or administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the Company's shareholder equity or price of securities: None.

(XIII) Other important risks, and mitigation measures being or to be taken:

1. For other important operational risks and countermeasures of the Company, please refer to the description of "favorable and unfavorable factors of development prospect and relevant countermeasures" in this annual report.
2. Although the Company has a dedicated person responsible for the application and management of trademark and patent rights to ensure intellectual property rights, it is still unable to ensure that the Company's intellectual property is fully protected and the R&D achievements are not infringed by competitors or other manufacturers.
3. Specific circumstances may not provide adequate protection: enterprise operation is accompanied by many risks, including machinery and equipment failure, damage or abnormal, capacity constraints, labor strike, force majeure fire, natural disasters such as earthquake or typhoon, environmental disasters or occupational disasters. The above situations may have a significant adverse impact on the operation of the Company. Although the Company has taken out insurance for important assets in accordance with the practice of the country of operation, such insurance may not provide sufficient protection under certain circumstances. If the Company suffers losses as a result, it may adversely affect the operation of the Company.
4. Overall economic, political and economic environment, foreign exchange, and legal risks: the Company is registered in the British Cayman Islands, and its major subsidiaries are located in Macao, China, the Republic of China, and Cambodia. Therefore, changes in the overall economic and political environment and fluctuations in the foreign

exchange between the place of registration and the major place of operation will affect the operation of the Company.

5. Protection of shareholders' rights and interests

There are many different provisions in the Companies Act of the British Cayman Islands and the Company Act of the Republic of China. Although the Company has amended its Articles of Incorporation in accordance with the "Checklist for Matters Related to Shareholders' Equity Protection of Foreign Issuers or Overseas-Registered Companies" stipulated by the Taiwan Stock Exchange, there are still many differences in the operation of companies between the two laws, investors can't apply the idea of protecting the legal rights and interests of investing in Taiwan companies to the companies they invest in the Cayman Islands. Therefore, investors should know and consult experts to see if there is any protection of shareholders' rights and interests that can not be obtained when investing in a company in the Cayman Islands.

6. Information security risk assessment

The Company has formulated information management measures to implement an internal control system and maintain information security. Annual review has been carried out to ensure its appropriateness and effectiveness and evaluate the security regulations and procedures. The following is a breakdown:

(1) Information security policy

A. The assets of software and hardware equipment in the information department should be managed in a unified way and protected effectively.

B. The equipment of the information department should be maintained regularly, and the loss of assets, security threats, environmental hazards, damage or leakage, and interruption of business activities should be effectively prevented.

C. Ensure that the access of the information account and the changes of the system are authorized by the Company's specified procedures.

D. Monitor the security of the information system, effectively grasp and deal with information security abnormal events.

(2) IT security network structure

The network system management personnel shall review and adjust the setting of the firewall system and adjust the system access authority at any time to reflect the latest status in line with the changes of information security and network equipment. In addition, the network warning system has been established. For the abnormal situation of the important network endpoints, the warning system should be established, so that the network system managers can timely obtain warning signals when the specific network events occur, so as to take effective preventive measures and reduce the occurrence of network events.

(3) System account life cycle and authority management

The user's account and authorization are set according to each business scope and rights and responsibilities. Access to the data is required to be used and changed through the sign-off process after being applied for and approved by each relevant officer. Once the user leaves the job, the user account and authorizations shall be immediately canceled to prevent unauthorized use.

(4) Data access record keeping

The system and files are backed up locally on a regular basis, and each backup data is transferred to a remote data center as a remote backup. The system data recovery test drills are carried out every year irregularly to ensure the normal operation of the information system and data preservation, which can reduce the risk of data loss caused by acts of God and man-made disasters.

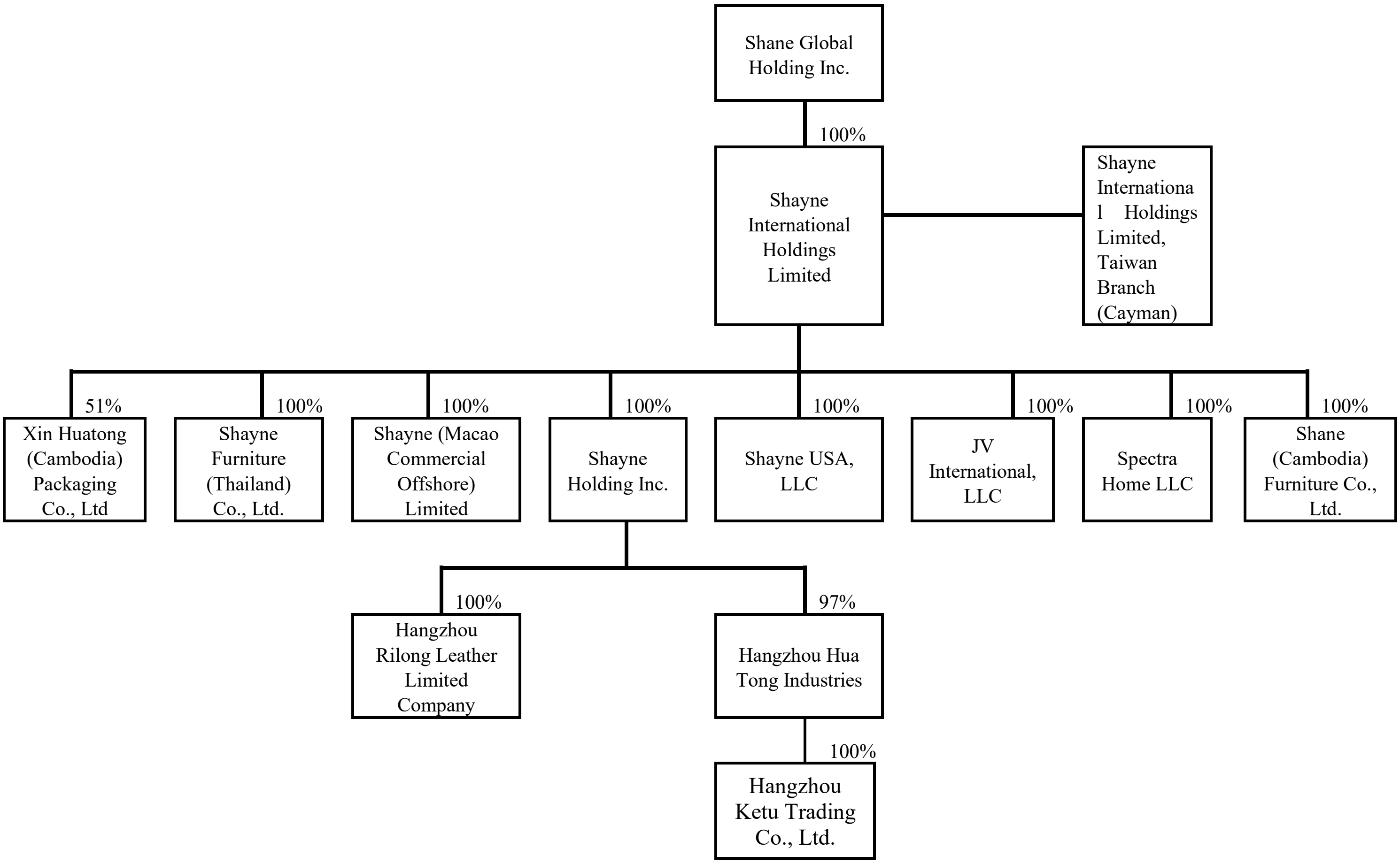
The Information Department can implement the operation according to the Company's specified procedures to ensure data integrity and security. Up to the publication date of the annual report, the Company's information security risk assessment is still good and there is no significant operational risk.

VII. Other Important Notes: None.

Chapter 7. Special Disclosure

I. Information related to affiliated companies.

(I) Organizational chart of affiliated companies (as of December 31, 2025)



(II) Basic information on each affiliated company:

December 31, 2025; Unit: NT$ thousand

Enterprise name	Date established	Address	Paid-up capital	Main business item
Shayne International Holdings Limited	2006.09.07	Governors Square, PO Box 30746, Seven Mile Beach, Grand Cayman, KY1-1203, Cayman Islands	USD 25,987	Investment holding
Shayne (Macao Commercial Offshore) Limited	2015.03.26	Room B, 5th floor, Yide Business Center, 126 Beijing Street, Macau	HKD 2,146	Indoor furniture sales
Shayne Holding Inc.	2006.01.16	OMC Chambers, P.O. Box 3152, Road Town, Tortola, British Virgin Islands.	USD32,316	Investment holding
Shayne USA, LLC	2013.08.28	6780 Depot Street, Suite 140, Sebastopol, CA 95472 USA	USD 696	Indoor furniture sales
JV International, LLC	2011.08.11	19425-G Liverpool Parkway, Cornelius, NC 28031 USA	USD 1,950	Indoor furniture sales
Spectra Home LLC	2009.10.06	328 South King Charles Road, Raleigh, NC 27610 USA	USD 8,187	Indoor furniture sales
Hangzhou Rilong Leather Limited Company	1993.04.09	Pudong, Dayuan Town, Fuyang City, Zhejiang Province	USD 1,000	Production of leather products
Hangzhou Hua Tong Industries	1999.12.26	Hua Tong Group 311508, FengChuan Street, Tonglu County, Hangzhou City	USD 32,000	Production of indoor furniture

Enterprise name	Date established	Address	Paid-up capital	Main business item
Hangzhou Ketu Trading Co., Ltd.	2021.03.17	Feng Chuan Street, Daofenggang Village, Tonglu County, Hangzhou City, Zhejiang Province	RMB 5,000	Indoor furniture sales
Shayne Furniture (Thailand) Co., Ltd.	2019.02.18	199 Moo 1 Ban-Wa (Hi-tech) Industrial Estate, Asia-Nakhon Sawan Rd., Km 59-60 Ban-Lane Sub-district, Bangpa-in District, Phanakorn Sri Ayuthaya 13160 Thailand	THB 341,018	Production of indoor furniture
Shane (Cambodia) Furniture Co., Ltd.	2020.06.25	Street 316A, Tropaing Bun Village and Prey Korkey Village, Prey Korkey Commune, Chan Trea District, Svay Rieng Province.	USD 60,453	Production of indoor furniture
Xin Huatong (Cambodia) Packaging Co., Ltd.	2021.05.06	Xin Bavet SEZ (St.316 A, Trapaingbon Village and Koki Village Koki Commune, Chantrea District, Svay Rieng Province, Kingdom of Cambodia)	USD 3,000	Production of paper boxes and packaging products

(III) Where there is considered to be a controlled and subordinate relation, the information of the same shareholders: None.

(IV) Industry covered by the operating business of the entire affiliated companies: Research and development, production and sales of indoor furniture, and investment holding.

(V) Names of the directors, supervisors, and presidents of each affiliated company and their shareholding in such companies

December 31, 2025

Enterprise name	Title	Full name or representative	Shareholding	
			Number of shares	%
Shayne International Holdings Limited	Director General Manager (Taiwan)	Hsieh, Chih-Tong Hsieh, Shu-Yun	- -	- -
Shayne (Macao Commercial Offshore) Limited	Executive Director General Manager (Taiwan)	Hsieh, Chih-Tong Li, Cheng-Fa	- -	- -
Shayne Holding Inc.	Director General Manager (Taiwan)	Hsieh, Chih-Tong Hsieh, Shu-Yun	- -	- -
Shayne USA, LLC	Executive Director	Hsieh, Chih-Tong	-	-
JV International, LLC	Executive Director	Hsieh, Chih-Tong	-	-
Spectra Home LLC	Executive Director	Hsieh, Chih-Tong	-	-
Hangzhou Rilong Leather Limited Company	Director Director / General Manager Director Supervisor	Feng, Li-Chun Feng, Fu-Hua Hsieh, Chih-Tong Zhu, Ren-Lin	- - - -	- - - -
Hangzhou Hua Tong Industries	Director Director / General Manager Director Supervisor	Hsieh, Ming-Yun Hsieh, Chih-Tong Hsieh, Shu-Yun Dai, Ting	- - - -	- - - -
Hangzhou Ketu Trading Co., Ltd.	Director / General Manager Supervisor	Dai, Ting Hsieh, Chih-Tong		
Shayne Furniture (Thailand) Co., Ltd.	Director / General Manager	Hsieh, Chih-Tong	-	-
Shane (Cambodia) Furniture Co., Ltd.	Director	Hsieh, Chih-Tong	-	-
Xin Huatong (Cambodia) Packaging Co., Ltd.	Director Director / General Manager	Hsieh, Chih-Tong Wang, Wei	-	-

(VI) Operation status of each affiliated company

December 31, 2025, Unit: NT$ thousand

Enterprise name	Capital stock	Total assets	Total liabilities	Net worth	Operating revenue	Net operating profit (loss)	Profit (loss) (after tax)	EPS (NT$) (after tax)
Shayne International Holdings Limited	851,848	3,994,906	674,006	3,320,900	33,271	(42,480)	258,572	0.10
Shayne Holding Inc.	1,060,458	1,149,247	-	1,149,247	-	-	(183,916)	(11.38)
Shayne (Macao Commercial Offshore) Limited	8,711	1,121,773	874,163	247,610	3,877,450	239,463	253,614	Note 2
Spectra Home LLC	259,475	70,886	59,475	11,411	157,151	(5,520)	(6,621)	Note 2
JV International, LLC	62,921	5,237	65	5,172	-	(20)	(20)	Note 2
Shayne USA, LLC	21,866	692	233	459	560	(2,184)	(2,093)	Note 2
Shayne Furniture (Thailand) Co., Ltd.	324,249	11,368	270	11,098	-	(424)	(533)	(0.16)
Shane (Cambodia) Furniture Co., Ltd.	1,755,743	2,115,736	83,772	2,031,964	1,558,842	234,392	244,876	20,252
Xin Huatong (Cambodia) Packaging Co., Ltd.	42,672	157,963	75,027	82,936	283,739	9,084	6,111	3,994
Hangzhou Hua Tong Industries	966,591	1,788,996	543,545	1,245,451	1,226,611	(135,344)	(193,950)	Note 2
Hangzhou Rilong Leather Limited Company	31,875	1,793	65,644	(63,851)	1,096	(5,710)	(2,559)	Note 2
Ketu Furniture (Shanghai) Co., Ltd. (Note 3)	-	-	-	-	-	(135)	(1)	Note 2
Hangzhou Ketu Trading Co., Ltd.	21,690	60,063	29,866	30,197	239,052	(2,865)	(2,442)	Note 2

Note 1: The balance sheet account amounts shown in this table are based on the exchange rate at the end of 2025 (USD1:TWD31.43); The profit and loss amounts and earnings per share are calculated at the average exchange rate in 2025 (USD1:TWD31.18).

Note 2: It is a limited company, so there is no share and denomination.

Note 3: On November 9, 2021, the Board of Directors of Ketu Furniture (Shanghai) Co., Ltd. resolved to dissolve and liquidate the company, and completed the deregistration on February 26, 2025.

(VII) Relations, percentage of shareholding, number of shares, and actual investments among the Company and affiliated companies:

December 31, 2025 Unit: Thousand shares; Foreign currency thousand

Name of affiliated companies	Relationship	Number and percentage of shares held by the Company in affiliated companies (Note 1)			Number and percentage of shares held by affiliated companies in the Company
		Shares held	Percentage	Investment amount	
Shayne International Holdings Limited	Directly invested subsidiary	2,598,700	100%	USD 25,987	None
Shayne Holding Inc.	Indirectly invested subsidiary	16,158	100%	USD 32,316	None
Shayne (Macao Commercial Offshore) Limited	Indirectly invested subsidiary	-	100%	HKD 2,146	None
Spectra Home LLC	Indirectly invested subsidiary	-	100%	USD 8,187	None
JV International, LLC	Indirectly invested subsidiary	-	100%	USD 1,950	None
Shayne USA, LLC	Indirectly invested subsidiary	-	100%	USD 696	None
Shayne Furniture (Thailand) Co., Ltd.	Indirectly invested subsidiary	3,410	100%	THB341,018	None
Shane (Cambodia) Furniture Co., Ltd.	Indirectly invested subsidiary	12	100%	USD60,453	None
Xin Huatong (Cambodia) Packaging Co., Ltd.	Indirectly invested subsidiary	2	51%	USD1,530	None
Hangzhou Hua Tong Industries	Indirectly invested subsidiary	-	97%	USD 31,040	None
Hangzhou Rilong Leather Limited Company	Indirectly invested subsidiary	-	100%	USD 1,000	None
Hangzhou Ketu Trading Co., Ltd.	Indirectly invested subsidiary	-	97%	RMB 485	None

Note 1: As a limited liability company, there is no number of shares, which is only expressed in terms of registered capital.

(VIII) Consolidated financial statements of affiliated companies: Same as the consolidated financial statements, please refer to the MOPS website → Single Company → Electronic Document Download → Financial Report, enter the company code to inquire.

(IX) Relation report: Not applicable.

II. Private Placement of Securities for the Most Recent Year and up to the Date of Publication of the Annual Report: None.

III. Other Supplementary Information

(I) Material Discrepancy between Articles of Incorporation and the Rules of the R.O.C. in Relation to the Protection of Shareholder Equity

The Company's Articles of Incorporation has been amended in accordance with the important matters regarding the protection of shareholders' equity, as prescribed in Checklist for Matters Related to Shareholders' Equity Protection of Foreign Issuers or Overseas-Registered Companies announced by Taiwan Stock Exchange Corporation on May 2, 2024; in addition, the Company will complete the amendment of its Articles of Incorporation in accordance with the newly added items, as prescribed in Checklist for Matters Related to Shareholders' Equity Protection of Foreign Issuers or Overseas-Registered Companies (referred to as the Checklist for Matters Related to Shareholders' Equity Protection of Foreign Issuers) announced by Taiwan Stock Exchange Corporation on February 4, 2026, following the instructions of the announcement by June 30 of next year, in order to comply with the requirements thereof. Furthermore, certain important matters regarding the protection of shareholders' equity are not applicable under the laws of the Cayman Islands, and thus were not amended in the Articles of Association. Please refer to the description in the table below for details:

Difference	Description of laws in the Cayman Islands	The Company's Articles of Incorporation and description thereof
The meaning of "Special Resolutions": Refers to when there is a shareholders meeting at which two-thirds of the Company's outstanding shares are represented, and half of the shareholders in attendance agree thereon. If the total number of shares of the shareholders present is less than the above quota, it may be approved by more than two-thirds of the voting rights of the shareholders present who represent more than half of the total number of issued shares.	Pursuant to Company Act from the Cayman Islands, special resolutions refer to resolutions made in a Shareholders' Meeting attended by shareholders representing at least one-half of all shares issued, and approved by two-thirds of the voting rights present at the meeting.	According to the intention of the Tai-Cheng-Sun-Ji No.0991701319 on April 13, 2010, Articles 39 and 2(1) of the Company's Articles of Incorporation stipulated that the special resolution shall be resolved by a shareholders' meeting with over half of issued shares presented by shareholders in person. If the shareholder is a judicial person shareholder, it shall be presented by the legally authorized representative or through proxy. The resolution shall be passed by more than two-thirds of the

Difference	Description of laws in the Cayman Islands	The Company's Articles of Incorporation and description thereof
		voting rights of the shareholders presented. The above amendment can fulfill the requirement from both the Cayman Act and Taiwan Company Law regarding the attendance and vote in terms of publicly listed companies.
1. sThe Company shall not reduce its capital unless resolved by the shareholders' meeting; the reduction of capital shall be done according to the proportion of shares held by the shareholders. 2. The reduction of capital may be done by returning assets other than cash; the returning of assets and the amount shall be approved by the shareholders' meeting, and the consent from the shareholder that receives the assets shall be obtained. 3. The value of the property of the preceding paragraph and the amount of the offset shall be submitted by the board of directors to the certified public accountant in the Republic of China for audit before the shareholders' meeting.	Articles 14 to 18 of the Cayman Companies Law have strict procedures and substantive rules for capital reduction. The related rules are mandatory and may not be changed by the Articles of Incorporation.	Articles 14 to 18 in the Company Act of the Cayman Islands has set rigorous procedures and substantial regulations for capital reduction of a company, and relevant regulations are mandatory and cannot be altered in the Articles of Incorporation. Fairly substantial variances exist between preceding laws and the "Checklist for Matters Related to Shareholders' Equity Protection of Foreign Issuers" regarding regulations for capital reduction in the Company. For avoidance of doubt, the Company has sought legal opinion from attorney in Cayman Islands and amended Article 14 of the Company's Articles of Association such that capital reduction of the Company shall be subject to the procedures and conditions set out in the Cayman Islands Laws and Regulations and the TWSE/TPEx Specifications. As for regulations pertaining to capital reduction in a company from "The Checklist of Shareholders Right Protection Items at the Place of Registration of the Foreign Issuers," the foreign issuer has stipulated an alternative method in Article 24 (1) in its Articles of Incorporation to buy back shares in proportion of the shares held by shareholders.

Difference	Description of laws in the Cayman Islands	The Company's Articles of Incorporation and description thereof
Shares issued without par value by the Company may not be converted into shares with par value; shares issued with par value may not be converted into shares without par value.	Article 8 (1) of the Cayman Companies Law stipulates that: "Provided further that no exempted company shall divide its capital into both shares of a fixed amount and shares without nominal or par value."	Article 9 of the memorandum of organization of the Company stipulates that "the total capital of the Company is NT$1,500,000,000, which is divided into 150,000,000 common shares with a par value of NT$10 per share". It has been stipulated that the par value shares shall be adopted, so the normative requirements in the left column are not applicable to the Company. However, legal opinion rendered by a Cayman Islands attorney indicated that according to the provisions of Section 8(1) of the Cayman Islands Companies Act, a Cayman Islands exempted company that adopts par value shares cannot convert such into non-par value shares in practice. As an exempt company, the Company has issued par value shares and cannot issue or convert them into non par value shares. Therefore, Article 7 (5) of the Company's Articles of Association stipulates that the Company shall not issue non par value shares or convert par value shares into non par value shares.
1. The Company's physical shareholders meeting should be held within the territory of the Republic of China. If a physical shareholder meeting is held outside the Republic of China, it shall be reported to the stock exchange for approval within two days after the resolution of the board of directors or the shareholder obtains the convening permission from the competent authority	No relevant regulations exist in laws from the Cayman Islands.	According to the preceding paragraph of Article 31 of the Articles of Incorporation, "during the listing period, the physical shareholders' meeting of the Company shall be held in the territory of the Republic of China." Therefore, no exception shall be made, and setting an additional rule for applying for approval or reporting for convening physical Shareholders' Meetings outside of the territory of the Republic of China is not necessary. In addition to holding the Company's

Difference	Description of laws in the Cayman Islands	The Company's Articles of Incorporation and description thereof
2. When the Company convenes a shareholders' meeting outside the Republic of China, it shall engage a professional stock affairs agency in the territory of the Republic of China to handle shareholder voting affairs.		physical shareholders' meeting in the Republic of China during the listing period, the Company also engages professional stock affairs agency in the Republic of China to handle shareholder voting and other related matters.
Shareholders who have been continuously holding 3% of the total number of the outstanding shares for a period of one year or longer may request the Board of Directors to convene an extraordinary shareholders' meeting in writing, specifying the proposal and the reason. If the Board fails to give a notice for convening such meeting within 15 days after the date of such deposit, subject to the approval of the Taiwan competent authority, the requisitioners themselves may convene the general meeting in the same manner.	There is no local competent authority in the Cayman Islands responsible for reviewing whether shareholders can convene shareholders' meetings by themselves.	As the Company is established in accordance with the Company Law of the Cayman Islands, and there is no local authority in the Cayman Islands responsible for reviewing whether the shareholders can call the shareholders' meeting on their own, Article 32(1) of the Articles of Incorporation of the Company stipulates with reference to the Tai-Cheng-Sun-Ji No. 0991701319 dated April 13, 2010: "continue for more than one year, and, Shareholders holding more than 3% of the total issued shares may request the board of directors to call a temporary shareholders' meeting by stating in writing the causes for the call and the reasons for the call. If the Board does not give notice to members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may convene a general meeting." Approval from the competent authority is not required.
A shareholder who exercises his/her voting power at a shareholders' meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person.	Based on the opinion of an attorney at the Cayman Islands, a shareholder exercising voting rights by correspondence or electronic means shall not be regarded as having personally	The last paragraph of Article 57 of the Company's Articles of Incorporation stipulates that: "A shareholder who exercises voting rights in writing or electronically shall be deemed to have entrusted the chairman of the

Difference	Description of laws in the Cayman Islands	The Company's Articles of Incorporation and description thereof
	attended the meeting, and shall appoint the chair of the meeting as his/her proxy.	shareholders' meeting to act as an agent to exercise voting rights in accordance with the contents of the written or electronic documents. However, the chairman of the shareholders' meeting does not have the right to vote on matters not mentioned or indicated in the above, the special motions or the amendment to the original proposal. To prevent any possible doubt, when a shareholder exercises his/her voting rights in the aforementioned means, the shareholder will be deemed as having forfeited his/her right to the motions and amendments to the original proposals at the shareholders' meeting." Therefore, no material variance is found in actual operations with the legal regulations from the Republic of China. Nevertheless, the rule is expressed as appointing the chair of the Shareholders' Meeting as a proxy of shareholders exercising their voting rights via correspondence or electronic means in order to comply with rules from the Cayman Islands regarding the requirement for exercising voting rights by the shareholder in person or via proxy onsite at the meeting.
The Company shall complete the electronic transmission of the shareholders' meeting handbook and other relevant meeting information at least 30 days prior to the shareholders' meeting.	No relevant regulations exist in laws from the Cayman Islands.	The Company will complete the amendment of its Articles of Incorporation at next year's shareholders' meeting in accordance with the instructions of Tai-Cheng-Sun-Er-Ji No. 1151700475 announced by Taiwan Stock Exchange Corporation on February 4, 2026, to incorporate the requirements specified in the leftmost column.

Difference	Description of laws in the Cayman Islands	The Company's Articles of Incorporation and description thereof
1. The company's Articles of Incorporation may stipulate that the earnings distribution or deficit offset is made after the end of each quarter or every half of the fiscal year. 2. The proposal of the Company's first three quarters or the first half of the fiscal year's earnings distribution or deficit offset shall be submitted along with the business report and financial statements to the supervisors or Audit Committee for review and then approved by the board of directors. 3. A company distributing surplus earnings in accordance with the provision of the preceding paragraph shall estimate and reserve the taxes and dues to be paid, the losses to be covered and the legal reserve to be set aside. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. 4. When the Company distributes its earnings in accordance with the second paragraph and issues new shares, it shall be attended by shareholders representing more than two-thirds of the total number of issued shares, with the consent of more than half of the voting rights of the shareholders present. If the total number of shares represented by the shareholders present at a	No relevant regulations exist in laws from the Cayman Islands.	For the time being, the Company will not distribute the earning or make up the loss after the end of each quarter or half fiscal year. Therefore, the standard requirements in the leftmost column are not applicable to the Company.

Difference	Description of laws in the Cayman Islands	The Company's Articles of Incorporation and description thereof
meeting of shareholders is less than the aforesaid threshold, the resolution may be adopted by a majority (2/3 or more) vote of the shareholders present at that meeting of shareholders attended by the shareholders representing a majority of the total number of the outstanding shares of the Company; if such surplus earning is distributed in the form of cash, it shall be approved by a meeting of the Board of Directors. 5. When the Company makes earnings distribution or offsets deficit, it shall do so based on the financial statements audited or reviewed by external auditors.		
Notice of the Annual Shareholders' Meeting shall be given to all shareholders 30 days prior to the meeting; notice of an extraordinary general meeting shall be given 15 days prior to the meeting.	According to Article 61 of the Cayman Companies Law, in the absence of any provision in the Articles of Incorporation regarding notice of meeting, the company shall notify all shareholders five days before the shareholders' meeting.	According to Article 34, Paragraph 1 of the Company's Articles of Association, it is stipulated that during the listing period, notice of the Annual Shareholders' Meeting shall be given to all shareholders 30 days prior to the meeting; notice of an extraordinary general meeting shall be given 15 days prior to the meeting. However, the Company's Articles of Association also take into account the provisions of Article 26-2 of the Securities and Exchange Act, incorporating the stipulation to notify shareholders holding less than 1,000 shares by public announcement. For this purpose, the Company will complete the amendment of its Articles of Incorporation at next year's

Difference	Description of laws in the Cayman Islands	The Company's Articles of Incorporation and description thereof
		shareholders' meeting in accordance with the instructions of Tai-Cheng-Sun-Er-Ji No. 1151700475 announced by Taiwan Stock Exchange Corporation on February 4, 2026, to remove the content regarding notifying shareholders holding less than 1,000 shares by public announcement.

Chapter 8. Events That Had Significant Impact on the Shareholders' Equity or Securities Prices

The Company has no events during the most recent year and up to the date of annual report publication that had significant impact on the shareholders' equity or securities prices as Stated in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act.

Shane Global Holding Inc.

Chairman: Hsieh, Chih-Tong