

Stock Code: 2910

Tonlin Department Store Co., Ltd.

2024

The Annual Report

Printed on April 10, 2025

Inquiry Website <http://mops.twse.com.tw>

<http://www.sfi.org.tw>

<http://www.tonlin.com.tw>

MOPS

Securities and Futures Institute

Tonlin Department Store Co., Ltd.

For the convenience of readers and for information purposes only, the Annual Report have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English and the Chinese version or any differences in interpretation between the two versions, the original Chinese version shall prevail.

I. Company Spokesperson

Name: Stephen Chen

Title: Vice President

Tel: (02) 2752-2222 ext 501

E-mail: stephen_chen@tp.tonlin.com.tw

II. Deputy Spokesperson

Name: Rio Lin

Title: Manager, Finance Department

Tel: (02) 2752-2222 ext 301

E-mail: rio_lin@tp.tonlin.com.tw

III. Address and Telephone Number of the Company

Headquarter in Taipei

Address: 10F-6, No. 197, Zhongxiao E. Rd., Section 4, Taipei City

Tel: (02) 2752-2222

Taoyuan Branch

Address: No. 61, Zhongzheng Rd., Taoyuan City

Tel: (03) 336-2626

IV. Stock Transfer Agency:

Name: Stock Affair Agency Department, Grand Fortune Securities Co.,Ltd

Address: 6F, No. 6, Zhongxiao W. Rd., Section 1, Taipei City

Tel: (02) 2371-1658

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

V. CPAs Certified the Financial Statements of the Recent Year

Name: Huang, Hsiu-Chun ; Chiu, Cheng-Chun

Name of Accounting Firm: Deloitte Taiwan

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

Tel: (02) 2725-9988

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

VI. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: none

VII. The Company's Website

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

Table of Contents

One. Letter to Shareholders	2
Two. Corporate Governance Report	
I. Profile of the directors, president, vice presidents, associates, and heads of various departments and branches	5
II. Remuneration paid to directors, president and vice presidents for the recent years	9
III. Operations of corporate governance	13
IV. Public Fees of CPAs	54
V. Information on change of CPA	55
VI. The company's Chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm	56
VII. Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent in the most recent year or during the current year up to the date of publication of the annual report	56
VIII. Relationship information, if among the top ten shareholders any one is a related party or a relative within the second degree of kinship of another	58
IX. Number of shares and consolidate percentage of the company, directors, supervisor, managers and the businesses that are controlled by the company directly or indirectly on the invested company	59
Three. Capital Overview	
I. Capital and shares	60
II. Corporate bonds	64
III. Preferred shares	64
IV. Global depository receipts	64
V. Employee stock warrants	64
VI. New restricted employee shares	64
VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies	64
VIII. Status of implementation of capital allocation plans	64
Four. Operational Overview	
I. Description of the business	65
II. Overview of market and sales	67
III. Employees	71
IV. Disbursements for environmental protection	71
V. Labor relations	72
VI. Cyber security management	73
VII. Important contracts	75
Five. Review and analysis of financial status and financial performance and risk	
I. Financial position	77
II. Financial performance	78
III. Cash flow	79
IV. Impacts of major capital expenditures in the most recent year to financial performance	79
V. The most recent investment policy, the main reason for profit or loss thereof, improvement plan, and investment plan for the coming year	80
VI. Assessment of risks	80
VII. Other important matters	82
Six. Special Disclosures	
I. Information related to affiliates	83
II. Private placement of securities in the most recent year until the publication date of the annual report	85
III. Other supplementary explanatory notes	85
IV. Any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year up to the date of publication of the annual report	85

One. Report to the shareholders

I. Foreword

Starting in 2024, following the end of the COVID-19 pandemic, various commercial activities have returned to normal. Due to regional conflicts and inflation, the economic growth rate for 2024 was 4.30%, higher than 1.12% in 2023. For the transformation project, Taoyuan Branch closed in February 2017 for remodeling, and then reopened in September 2018. The rent of Taipei Branch was renegotiated due to the expiration of the lease and the original lease increased. Therefore, the operating revenue was stable.

The government's tightened controls over real estate (such as the Combined Housing and Land Tax, credit tightening on luxury homes, adjustment to housing tax rate based on the number of properties held and the duration of ownership, and restrictions on corporate property purchases), combined with falling population growth and an increased rate of home ownership, resulted in moderately decreased property prices. Buyers tended to wait and see, and the transaction volume decreased. The Company will take more pro-active efforts at selling its Yangmingshan project (1 unit remained at the end of 2024.). The Jiaoxi project, on the other hand, has commenced sale since Q4 2017 and 3 units remained unsold at the end of 2024.

II. Business Report

Below is an analysis of operating results, budget execution, financial ratios, and profitability for 2024:

(I) Business results:

Unit: NTD thousand			
Item	2024 consolidated	2023 consolidated	Growth rate (%)
Operating revenues	606,041	684,079	(11.41)
Operating cost	175,011	284,357	(38.45)
Gross profit	431,030	399,722	7.83
Operating expenses	193,863	190,794	1.61
Operating profit	237,167	208,928	13.52
Non-operating income (expenses), net	37,061	23,482	57.83
Profit before tax	274,228	232,410	17.99
Income tax expense	76,293	27,501	177.42
Current net income	197,935	204,909	(3.40)
Other comprehensive income	(7,258)	(2,791)	160.05
Comprehensive income for the current year	190,677	202,118	(5.66)

- The details of consolidated operating revenue for 2024 and 2023 are as follows:

(Unit: NTD Thousand)			
	2024	2023	Difference
Incomes from department stores	156,494	158,015	(1,521)
Lease incomes	280,705	270,196	10,509
Construction incomes	119,580	211,736	(92,156)
Other operating revenues	49,262	44,132	5,130
	606,041	684,079	(78,038)

- Overall, revenue in 2024 decreased by approximately NT\$78,038 thousand compared to 2023, primarily because, although the number of units sold in 2024 increased by 3 compared to 2023, the selling price per unit of the Jiaoxi project was lower than that of the Yangmingshan project, resulting in a decrease of NT\$92,156 thousand in construction income. Rental income increased by NT\$10,509 thousand due to rent adjustments in accordance with long-term contracts and the consolidation of a subsidiary. Additionally, other operating income increased by NT\$5,130 thousand due to higher management fee deductions compared to the previous year. In contrast, operating costs decreased by approximately NT\$109,346 thousand. Overall, gross profit from operations increased by approximately NT\$31,308 thousand.

As for operating expenses, the main increase was due to expenditures related to the rezoning project in Xinzhuang District, including land acquisition commissions, appraisal service fees, notary fees, and related regulatory fees. Total operating expenses increased by approximately NT\$3,069 thousand.

The net amount of non-operating income increased by approximately NT\$13,579 thousand, primarily due to an increase of approximately NT\$17,001 thousand in gains from financial assets mandatorily measured at fair value through profit or loss, a decrease of approximately NT\$2,463 thousand in dividend and bond interest income, and an increase of approximately NT\$1,587 thousand in interest expenses.

Income tax expense increased in 2024 due to the rise in net income before tax, the adjustment of related operating expenses from the sale of tax-exempt land, and the reversal of deferred interest expenses from previous years.

Other comprehensive income decreased by approximately NT\$4,467 thousand, primarily due to an increase of NT\$1,118 thousand in actuarial gains on defined benefit plans, an increase of NT\$5,362 thousand in unrealized valuation losses on equity instrument investments measured at fair value through other comprehensive income, and a related increase of NT\$223 thousand in deferred income tax.

In nutshell, the comprehensive income, NT\$190,677 thousand for 2024, was NT\$11,441 thousand lower from NT\$202,118 thousand reported in 2023.

(II) Budget execution:

The economic growth rate for 2024 was 4.30% (according to the Directorate-General of Budget, Accounting and Statistics press release dated January 24, 2025), compared to 1.12% in 2023. This increase was primarily driven by a post-pandemic boost in consumer spending and an increase in customer visits, leading to higher revenue, as well as gains from financial assets mandatorily measured at fair value through profit or loss. However, due to adjustments related to the sale of tax-exempt land, income tax expenses significantly increased, resulting in a decrease in net profit of approximately NT\$6,974 thousand compared to 2023.

De Hong Development had completed its project in 2014 - Yu Yangming located in Yangmingshan, Taipei City. As of the end of 2024, 13 units had been sold, with 1 unit remaining. The Jiaoxi project commenced the sales since Q4, 2017, and about 93% was sold as of the end of 2024, with 3 remaining. The Company will continue selling the above projects in 2025.

(III) Analysis of financial ratios and profitability:

Item	2024	2023	Increase/ decrease (%)
Debt to assets ratio	54.41%	53.69%	1.34
Long-term capital to property, plants and equipment	254.34%	218.53%	16.39
Current ratio	127.34%	116.03%	9.75
Quick ratio	109.30%	89.89%	21.59
Return on assets	4.09%	4.28%	(4.44)
Return on equity	7.45%	8.23%	(9.48)
Net profit margin	32.66%	29.95%	9.05
EPS (NT\$)	1.13	1.17	(3.42)

(IV) R&D status:

Tonlin Department Store primarily engages in retail and leasing operations. In the retail segment, due to its tenant-attraction capabilities being squeezed by chain department stores, performance continued to decline before its renovation in 2017. The Taoyuan store has since been transformed into a mixed-use complex featuring a cinema, mid- to large-scale dining, sports and leisure facilities, designer fashion, and Eslite Life, providing customers with a high-quality shopping environment and achieving stable revenue growth. On the leasing side, the Company continuously monitors market conditions and, upon lease expiration, adjusts rents to market levels or seeks tenants able to pay higher rents in suitable trade areas. The construction department also remains vigilant to regulatory changes and market developments to respond promptly.

III. Operational focus and prospect for 2025

The global economic outlook is affected by the U.S.-China trade war, regional economic protectionist policies, and inflation. Additionally, with heightened uncertainty following the inauguration of U.S. President Trump in 2025, global growth is still expected to surpass that of 2024. However, as Taiwan is trade-oriented, continued demand for artificial intelligence (AI) is anticipated to support exports and stimulate investment. The domestic economic growth rate for 2025 is estimated by the Directorate-General of Budget, Accounting, and Statistics to be approximately 3.29% as of November 29, 2024, lower than the 4.30% growth rate of 2024. Additionally, rising prices are expected to affect consumer confidence, leading to a more cautious spending behavior among the general public.

Below is a summary of the Company's business plans and key production/sales policies:

(I) Department store and retail (Taoyuan Branch)

Taoyuan Branch underwent a major renovation in February 2017 to transform into a lifestyle mall offering cinema, medium and large dining brands, recreational space, designer clothing, and eslite bookstore. It re-opened in September 2018 and will make adjustments to the product portfolio depending on future performance.

(II) Real estate leasing (Taipei Branch)

The Company will strive to increase rental income by adjusting rent rates or tenants as lease agreements expire.

(III) Business investments

1. De Hong Development Co., Ltd. will continue selling its Yangminshan project and the residential project located in Jiaoxi, Yilan, throughout 2025.
2. Other subsidiaries of the Company, including the venture capital business, have not made any major investment in recent years, and will direct attention towards managing existing investments and seeking opportunities to recover capital in the form of capital reduction or dividend payment.

(IV) Closing remarks

The Company and its management team will prepare for the challenges ahead and continue making improvements to service quality, marketing performance, and management efficiency in ways that maximize shareholder returns. We would like to thank our shareholders for their continuous support and encouragement to the Company.

We wish all our shareholders
a prosperous future ahead

Chairman: Su Chien-I

Two. Corporate Governance Report

I. Profile of the directors, president, vice presidents, associates, and heads of various departments and branches

(I) Directors

1. Information on directors

April 28 2025

Job title	Nationality or place of registration	Name	Gender and age	Date of elected	Term of office/year	Date of first elected	Shares held when elected		Current shareholding		Current shares held by spouse and child of minor age		Shares held under others' names		Main experience (academic)	Concurrent position(s) in the Company or other companies	Spouse or relative within the second degree of kinship serving as managerial officers, directors and supervisors			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Position	Name	Relation	
Chairman	R.O.C.	Su, Chien-I (Note 1)	Male 74	2024.06.24	3	1982.07.05	5,281,075	3.01%	5,161,075	2.94%	0	—	0	—	Department of Accounting & Statistics, Takming University of Science and Technology Te Li Construction - Finance Manager Wen Pu Construction - Vice President	Chung Hsiao Enterprise - Chairman De Hong Development - Chairman (institution representative)	Directors	Su Chien-Hsing	Brothers	(Note 5 and 6)
Director	R.O.C.	Su Chien-Hsing (Note 2)	Male 72	2024.06.24	3	2024.06.24	2,094,027	1.19%	2,001,027	1.14%	0	—	0	—	Master of Architecture, Columbia University De Hong Development - Chairman Dezhou Construction Co., Ltd. - President; SHENG YA CO., LTD. - Vice President	De Hong Development – Director (institution representative) FlySun Development - Director Chung Hsiao Enterprise - Supervisor	Directors	Su Chien-I	Brothers	(Note 5 and 6)
Director	R.O.C.	Jih-I Investment Co., Ltd. (Note 3)		2024.06.24	3	2004.06.12	5,002,000	2.85%	5,002,000	2.85%	0	—	0	—						
	R.O.C.	Representative: Huang Chung-Sheng	Male 66				6,369,544	3.63%	6,369,544	3.63%	21,780	0.01%	0	—	Masters Degree, Experimental Statistics Division, Department of Agronomy, National Taiwan University	Jih-I Investment, Wholesome Life Science, Mushroom Enterprise, Taiwan uav CO., LTD. and chairman of Universal Innovation Co., Ltd Supervisor of Chianda Innovation Co., Ltd Directors of FlySun Development Co., Ltd. and DaYuandao Construction	None			(Note 7)
Director	R.O.C.	JIN DUO LIH ENTERPRISES PTY. LTD. (Note 4)		2024.06.24	3	2001.06.12	22,936,442	13.08%	22,936,442	13.08%	0	—	0	—						
	R.O.C.	Representative: Weng Chun-Chih	Male 81				18,744,920	10.69%	18,494,920	10.54%	1,572,991	0.90%	0	—	Taipei Kai-Nan High School	Weng Huang Chin Social Welfare Foundation - Chairman JIN DUO LIH ENTERPRISES, SHUEN SHYANG - Director (institution representative) Wei Sheng, Jiayu - Supervisor De Hong Development - Director (corporate representative) Chung Hsiao Enterprise - Director Weng Yu Mei Enterprise - Person-in-charge	Director (institution representative) Director (institution representative) Director (institution representative)	Weng Ju-I Weng Hua-Ting Weng Hua-Li	Father and daughter Father and son Father and son	(Note 5 and 6)
	R.O.C.	Representative: Weng Ju-I	Female 53				6,962,309	3.97%	7,316,309	4.17%	0	—	718,000	0.41%	Masters Degree, Faculty of Arts, Monash University	Tonlin Department Store - CFO, U-Chen Information Co., Ltd. - Chairman JIN DUO LIH ENTERPRISES, SHUEN SHYANG - Chairman (institution representative) Hon Sakari - Director De Hong Development - Supervisor (institution representative) Ben Sheng International - Supervisor	Director (institution representative) Director (institution representative) Director (institution representative)	Weng Chun-Chih Weng Hua-Ting Weng Hua-Li	Father and daughter Sister and brother Sister and brother	(Note 5 and 6)
	R.O.C.	Representative: Weng Hua-Tieng	Male 52				3,715,682	2.12%	3,715,682	2.12%	548,000	0.31%	140,000	0.08%	Master of Public Policy and Management, University of Southern California Shenzhen Gourmet Ltd. - President Food Junction Holding Ltd. - Manager Dezhou Construction Co., Ltd.- Chairman's Special Assistant	JIN DUO LIH ENTERPRISES, SHUEN SHYANG - Director (institution representative) Weng Huang Chin Foundation - Director, Jiayu Co., Ltd. - Chairman Shoufu Asset Management - Chairman De Hong Development - Vice Chairman (institution representative) Kainan University - Director Jinduoli Food (Dongguan) - Chairman's Special Assistant	Director (institution representative) Director (institution representative) Director (institution representative)	Weng Chun-Chih Weng Ju-I Weng Hua-Li	Father and son Sister and brother Brothers	(Note 5 and 6)
	R.O.C.	Representative: Weng Hua-Li	Male 50				6,364,999	3.63%	6,364,999	3.63%	3,267,000	1.86%	1,657,000	0.94%	School of Political Science and Economics, Meiji University Te Chou Construction - Special Assistant	Tonlin Department Store - President, Sheng Wei Company - Chairman JIN DUO LIH ENTERPRISES, SHUEN SHYANG and De Hong Development - Director (institution representative) Hon Sakari, Ben Sheng International - Director Weng Huang Chin Foundation - Director	Director (institution representative) Director (institution representative) Director (institution representative)	Weng Chun-Chih Weng Ju-I Weng Hua-Ting	Father and son Sister and brother Brothers	(Note 5 and 6)
Independent Director	R.O.C.	Lu Yu-Ting	Male 67	2024.06.24	3	2015.06.03	0	—	0	—	458,331	0.26%	0	—	Department of Business Administration, National Taipei University of Business L'Occitane Taiwan Limited - President Wei Li Yang Company - Chairman and President	Melvita Taiwan Ltd. - Chairman Albert Investment Co., Ltd. - Chairman Bensheng Co., Ltd - Person-in-charge	None			(Note 7)
Independent Director	R.O.C.	Yang Wen-Ching	Male 63	2024.06.24	3	2018.06.07	0	—	0	—	0	—	0	—	Ph.D. in Economic Law, Peking University Law School Securities and Futures Bureau, Ministry of Finance - Chief of Legal Affairs Financial Examination Bureau, Financial Supervisory Commission - Deputy Director General Nanoplus Limited (Cayman) Taiwan Branch - Director	Cheng Shin Law Firm - Director Ever Rich Asset Management Co., Ltd. – Chairman Zhi-Qin Financial Advisory - Chairman Xin-Dong Development and Construction Co., Ltd. - Director International Bills Finance Corporation - Director (institution representative) SHENMAO Technology Inc. - Independent Director	None			(Note 7)
Independent Director	R.O.C.	Zhan Wei-Ren	Male 49	2024.06.24	3	2024.06.24	0	—	0	—	0	—	0	—	Master of Telecommunications Engineering, Monash University, Australia Texas Instruments Incorporated (TI) - Senior Applications Engineer Motorola Solutions, Inc. - Software/Product Project Manager	Peng Yuan Xiangcai Restaurant Co., Ltd. - Chairman Hong Wan Co., Ltd. - Director Kentai Construction Co., Ltd. - Director Ken Tai Construction Co., Ltd. - Supervisor	None			(Note 7)

Note 1: from July 5, 1982 to Nov. 19, 1991 and from June 25, 1995 to June 11, 2004 was a natural-person director; from June 4, 2004 to June 2, 2015 was the representative of an institutional director, Un Investment; elected as a natural-person director again on June 3, 2015.

Note 2: From 2009.7.23 to 2015.6.2, he was the juridical person director representative of JIN DUO LIH ENTERPRISES PTY. LTD., and the natural person director was elected for the first time on 2024.6.24.

Note 3: On June 12, 2004, elected as an institutional director at the first time, and the original representative was Huang, Chung-Ren; on July 1, 2005, the representative was replaced by Huang, Chung-Sheng.

Note 4: From June 12, 2001 to July 23, 2009, elected as an institutional director and the representatives were Weng, Chun-Chih and Weng, Ju-I; re-elected on July 23, 2009 again, represented by Weng, Chun-Chih, Weng, Ju-I, Weng, Hua-Tieng, Weng, Hua-Li, and Su, Chien-Hsing. On August 18, 2011, the representative Weng, Ju-I was discharged, and replaced by Tsai, Ching-Wen; on June 5, 2012 re-elected, and the representative Tsai, Ching-Wen was discharged and replaced by Weng, Ju-I and Chen, Ming-Chou; on June 3, 2015, re-elected as an institutional director, represented by Weng, Chun-Chih, Weng, Ju-I, Weng, Hua-Tieng, Weng, Hua-Li.

Note 5: Natural person Directors Su Chien-I and Su Chien-Hsing are brothers and therefore have a second-degree kinship relationship. The representatives of the corporate director, JIN DUO LIH ENTERPRISE CO., LTD.—Weng Ju-I, Weng Hua-Ting, and Weng Hua-Li—are all children of Mr. Weng Chun-Chih and thus share a first-degree kinship relationship.

Note 6: The Company has a total of ten directors, including three independent directors. Among them, the natural person directors and the corporate director representatives mentioned in Note 5 are not spouses or relatives within the first degree of kinship. Therefore, the number of directors who are spouses or within the first degree of kinship does not exceed half of the total board, and more than half of the directors do not concurrently serve as employees or managerial officers.

Note 7: The chairman, president or person of an equivalent post (the highest level manager) of the Company are not the same person, spouses, or relatives within the first degree of kinship.

2. Major shareholders of institutional shareholders (top ten shareholders in terms of shareholding)

April 10, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
Jih-I Investment Co., Ltd.	Mushroom Enterprise 34.47%; Wholesome Life Science 19.93%; FlySun Development 19.93%; Genesis Investment 15.66%
Jin Duo Lih Enterprises Pty. Ltd.	Shuen Shyang 39.52%; Sheng Wei 20.16%; U-Chen Information 20.16%; Chia Yu 20.16%

3. Major shareholders of institutional shareholders who are also institutional shareholders, their major shareholders (top ten shareholders in terms of shareholding)

April 10, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
Mushroom Enterprise Co., Ltd.	MARCO POLO INTERNATIONAL HOLDING (BVI) LTD. 68.75%; FlySun Development 19.71%; Genesis Investment 9.28%
Wholesome Life Science Co., Ltd.	MARCO POLO INTERNATIONAL HOLDING (BVI) LTD. 37.78%; FlySun Development 16.67%; Mushroom Enterprise 13.89%; Jih-I Investment 13.89%; Genesis Investment 13.89%
FlySun Development Co., Ltd.	Mushroom Enterprise 38.23%; Jih-I Investment 39.23%; Genesis Investment Co., Ltd., 20.63%
Genesis Investment Co., Ltd.	MARCO POLO INTERNATIONAL HOLDING LTD.100%
Shunxiang Development Co., Ltd.	YUAN DAR HOLDING CO., LTD. (BVI) 99.02%
Sheng Wei Co., Ltd.	Weng, Hua-Li 56.73%; Weng, Chun-Chih 22.53%; Weng-Kuo, Jin-Ying 9.89%
U Chen Co., Ltd.	Weng, Ju-I 65.01%, Weng-Kuo, Jin-Ying 34.99%
Chia Yu Co., Ltd.	Weng Hua-Tieng 68.84%; Weng-Kuo, Jin-Ying 24.95%

4. Disclosure of professional qualifications of directors and independence of independent directors

(1) Diversification of the Board of Directors:

To enhance the corporate governance, and promote the health development of the board's composition and structure, it is confirmed that the board's diversity is helpful to improve the Company's overall performance. The board members particularly emphasize the abilities of judgments about operations, business management, leadership and decision-making, as well as crisis management.

In order to achieve the ideal goal of corporate governance, the Board of Directors should have the following functions:

- | | |
|---------------------------------|---|
| 1. Business determination; | 2. Accounting and financial analysis ability; |
| 3. Business management ability; | 4. Crisis management ability |
| 5. Industry knowledge; | 6. International market perspective; |
| 7. Leadership ability; | 8. Decision-making ability. |

The Company has 10 current directors, including 3 independent directors (accounting for 30%), 1 of which are female directors (accounting for 10%), and 2 directors who are also employees (accounting for 20%); 2 of the three independent directors hold the term of office for less than 9 years, 1 for over 9 years. The Company cares the gender equality in the members of the Board of Directors, and aims to appoint at least one female director. The number of female directors in the Board of Directors of the Company does not reach one-third of the total number of directors. In the future, the Company will also consider gender equality and increase female directors. The Company will also actively seek female directors before the re-election in 2027.

The diversity of the current Board members is implemented as follows:

April 10, 2025

Diversity Name of director	Basic composition					Industrial experience					Professional abilities			Number of other public companies in which the individual is concurrently serving as an independent director
	Nationality	Gender	Serving as an employee	Age	Tenure and term of office as an independent director	Retail	Development of lands; real estate leasing	Food and beverage	Finance	Information and technology	Law	Accounting	Management	
Su Chien-I	R.O.C.	Male	No	74	None	V	V	V	V			V	V	None
Su Chien-Hsing	R.O.C.	Male	No	72	None	V	V						V	None
Weng Chun-Chih	R.O.C.	Male	No	81	None	V	V						V	None
Weng Ju-I	R.O.C.	Female	Yes	53	None	V			V			V	V	None
Weng Hua-Ting	R.O.C.	Male	No	52	None	V	V	V					V	None
Weng Hua-Li	R.O.C.	Male	Yes	50	None	V	V	V					V	None
Huang Chung-Sheng	R.O.C.	Male	No	66	None		V						V	None
Lu, Yu-Ting Independent director	R.O.C.	Male	No	67	10	V		V				V	V	None
Yang Wen-Ching Independent director	R.O.C.	Male	No	63	7				V		V			1
Zhan Wei-Ren Independent director	R.O.C.	Male	No	49	1			V		V			V	None

(2) Independence of the Board of Directors:

Among the directors, no more than half having the relationship as spouse or relatives within the second degree of kinship; the majority of the directors do not concurrently serve as the Company's employee or managerial officers.

None of the Company's independent directors, their spouses and relatives within the second degree of kinship serve as the director, supervisor, or employee of the company or any of its affiliates, or the companies having special relationship with the Company.

For the independent director's shareholdings and the weight thereof president, please refer to the (1) Information of Directors in the section of information of directors, presidents, vice president, associate vice president, and head of branches.

In the recent two years, no director has provided commercial, legal, financial, accounting or related services to the company or any affiliate of the company, and received related compensations.

(II) Information on President, Vice Presidents, and Management Team

April 28, 2025

Title	Nationality	Name	Gender	Date of assumption	Shareholding		Shares held by spouse and child of minor age		Shareholding in the name of others		Educational and professional experience	Concurrent positions in other companies	Spouse or relative within the second degree of kinship serving as a managerial officer			Remarks
					Shares	%	Shares	%	Shares	%			Job title	Name	Relation	
President	R.O.C.	Weng Hua-Li	Male	2011.01.01	6,364,999	3.63	3,267,000	1.86	1,657,000	0.94	School of Political Science and Economics, Meiji University Te Chou Construction - Special Assistant	Sheng Wei Co., Ltd. - Chairman De Hong Development, and SHUEN SHYANG - Director (juristic person representative) JIN DUO LIH ENTERPRISES and Weng Huang Chin Foundation - Director, Hon Sakari and Ben Sheng International - Director	Chief Finance Officer	Weng Ju-I	Sister and brother	(Note 2)
CFO (Note 1)	R.O.C.	Weng Ju-I	Female	2012.07.05	7,316,309	4.17	0	—	718,000	0.41	Masters Degree, Faculty of Arts, Monash University	U-Chen Information Co., Ltd. - Chairman JIN DUO LIH ENTERPRISES - Chairman (institution representative) SHUEN SHYANG - Chairman (corporate representative) Hon Sakari and Ben Sheng International - Director De Hong Development - Supervisor (corporate representative)	President	Weng Hua-Li	Sister and brother	(Note 2)
Vice President	R.O.C.	Chen Wen-Long	Male	2001.01.01	0	-	0	-	0	-	Law and Business School, National Chung Hsing University VP, Underwriting Department, Tai Yu Securities Co., Ltd. before 1994	None	None	-	-	(Note 2)
Manager of Finance Department	R.O.C.	Lin, Wan-Yi	Female	2023.07.20	0	-	0	-	0	-	Department of Accounting, Soochow University Finance Manager, Fushin Hotel	None	None	-	-	(Note 2)
Director, Taoyuan Branch	R.O.C.	Kuo, Mei-Chun	Female	2021.04.01	0	-	0	-	0	-	Department of Comprehensive Commerce, Shih Hsin High School of Engineering and Business Branch Director, Breeze Group	None	None	-	-	(Note 2)

Note 1: appointed as the special assistant to the chairman on Jan. 1, 2011; appointed as the CFO (VP level) on July 5, 2012.

Note 2: Not the same person as the chairman, nor the spouse, or relative with first degree of kinship.

(III) The Chairman and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: The president or person of an equivalent post (the highest level manager) of the Company is not the chairman, his spouses, or relatives within the first degree of kinship.

II. Remuneration paid to directors, president and vice presidents for the recent years

(I) General and independent directors' remunerations

Unit: NT\$ thousands

Job title	Name	Directors' compensations								Sum of A, B, C and D as a percentage of after-tax profit % (Note 5)		Remuneration for employees with concurrent positions								Sum of A, B, C, D, E, F and G as a percentage of after-tax profit % (Note 5)		Compensation from reinvested business other than subsidiaries or parent company
		Remuneration (A) (Note 1)		Severance pay and pension (B)		Director's remuneration (C) (Note 2)		Business execution expenses (D) (Note 3)				Salary, bonuses, and special allowances, etc (E) (Note 4)		Severance pay and pension (F)		Employee remuneration (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
																Cash amount	Share amount	Cash amount	Share amount			
Chairman	Su Chien-I	2,645	2,645	0	0	0	0	600	600	3,245 1.64	3,245 1.64	0	0	0	0	0	0	0	0	3,245 1.64	3,245 1.64	450
Directors	Su Chien-Hsing	0	0	0	0	0	0	300	300	300 0.15	300 0.15	0	0	0	0	0	0	0	0	300 0.15	300 0.15	None
Corporate entity Directors	UN INVESTMENT CO., LTD.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Su Yong-Chun	0	0	0	0	0	0	300	300	300 0.15	300 0.15	0	0	0	0	0	0	0	0	300 0.15	300 0.15	None
Corporate entity	JIN DUO LIH ENTERPRISES PTY. LTD.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Directors	Weng Chun-Chih	0	0	0	0	0	0	600	600	600 0.30	600 0.30	0	0	0	0	0	0	0	0	600 0.30	600 0.30	None
Directors	Weng Ju-I	0	0	0	0	0	0	600	600	600 0.30	600 0.30	1,773	1,773	0	0	0	0	0	0	2,373 1.20	2,373 1.20	None
Directors	Weng Hua-Li	0	0	0	0	0	0	600	600	600 0.30	600 0.30	1,773	1,773	0	0	0	0	0	0	2,373 1.20	2,373 1.20	None
Directors	Weng Hua-Ting	0	0	0	0	0	0	600	600	600 0.30	600 0.30	0	0	0	0	0	0	0	0	600 0.30	600 0.30	None
Corporate entity Directors	Jih-I Investment Co., Ltd.;	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Huang Chung-Sheng	0	0	0	0	0	0	600	600	600 0.30	600 0.30	0	0	0	0	0	0	0	0	600 0.30	600 0.30	None
Independent Director	Lu Yu-Ting	0	0	0	0	0	0	600	600	600 0.30	600 0.30	0	0	0	0	0	0	0	0	600 0.30	600 0.30	None
Independent Director	Yang Wen-Ching	0	0	0	0	0	0	600	600	600 0.30	600 0.30	0	0	0	0	0	0	0	0	600 0.30	600 0.30	None
Independent Director	Zhan Wei-Ren	0	0	0	0	0	0	300	300	300 0.15	300 0.15	0	0	0	0	0	0	0	0	300 0.15	300 0.15	None
Independent Director	Zhan Sheng-Hua	0	0	0	0	0	0	300	300	300 0.15	300 0.15	0	0	0	0	0	0	0	0	300 0.15	300 0.15	None

1. The correlation between the policies, standards, and structure of the remuneration, and the responsibilities, risk and time undertook by the Independent Director:

On January 6, 2025, the Remuneration Committee convened the 1st meeting of the 6th term, and the review of the performance of directors and managers, and the policies, standards, and structure of the remuneration is described as below:

Description: I. The Company leases out its Taipei Branch, and operates a department store in Taoyuan. The profit is still stable. Therefore, the remuneration policy is extremely stable. The fixed salary is adjusted based on economic growth, peers' conditions, and company profitability. In terms of year-end bonuses, it is determined based on the profitability of the year and the performance of each managerial officer. In line with the Company Act, employees' remuneration and directors' remuneration are deemed as the expenses of the year. The Company's Articles of Incorporation stipulate that employees' remuneration shall not be less than 0.1%-4% of the pre-tax net profit before employees' remuneration and directors' remuneration expenses, and the payment shall be made based on the Procedures of Employees' Remuneration to managerial officers and employees.

- II. In addition to the monthly fixed monthly transportation fees, the directors' remuneration shall be distributed to the directors no more than 4% of the pre-tax net profit of the year before the remunerations of employees and directors, pursuant to the Company's Articles of Incorporation. Directors concurrently serving as managerial officers may receive monthly salaries, and two monthly bonuses will be paid at the end of each year, but no employee remuneration will be distributed.

2. The compensation received by directors for rendering services to all companies in the financial statements (e.g. as non-employee consultants of the parent company, all companies in financial reports/reinvestee) in the most recent year: none other than the information disclosed in the table above.

Remuneration range

Range of remuneration paid to each director	Name of director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements	The Company	Parent company an all re-invested business
Less than NT\$1,000,000	UN INVESTMENT CO., LTD.; Jih-I Investment Co., Ltd.; JIN DUO LIH ENTERPRISES PTY. LTD.; Su Chien-Hsing, Su Yong-Chun Huang, Chung-Sheng; Weng, Chun-Chih Weng, Ju-I; Weng Hua-Li Weng Hua-Tieng; Lu Yu Ting Zhan Sheng -Hua; Yang, Wen-Ching Zhan Wei-Ren	UN INVESTMENT CO., LTD.; Jih-I Investment Co., Ltd.; JIN DUO LIH ENTERPRISES PTY. LTD.; Su Chien-Hsing, Su Yong-Chun Huang, Chung-Sheng; Weng, Chun-Chih Weng, Ju-I; Weng Hua-Li Weng Hua-Tieng; Lu Yu Ting Zhan Sheng -Hua; Yang, Wen-Ching Zhan Wei-Ren	UN INVESTMENT CO., LTD.; Jih-I Investment Co., Ltd.; JIN DUO LIH ENTERPRISES PTY. LTD.; Su Chien-Hsing, Su Yong-Chun Huang, Chung-Sheng; Weng, Chun-Chih Weng Hua-Tieng; Lu Yu Ting Zhan Sheng -Hua; Yang, Wen-Ching Zhan Wei-Ren	UN INVESTMENT CO., LTD.; Jih-I Investment Co., Ltd.; JIN DUO LIH ENTERPRISES PTY. LTD.; Su Chien-Hsing, Su Yong-Chun Huang, Chung-Sheng; Weng, Chun-Chih Weng Hua-Tieng; Lu Yu Ting Zhan Sheng -Hua; Yang, Wen-Ching Zhan Wei-Ren
NTD\$1,000,000 (inclusive) to NTD\$2,000,000 (exclusive)	-	-	-	-
NTD\$2,000,000 (inclusive) to NTD\$3,500,000 (exclusive)	Su Chien-I	Su Chien-I	Su, Chien-I; Weng Hua-Li Weng Ju-I	Su, Chien-I; Weng Hua-Li Weng Ju-I
NTD\$3,500,000 (inclusive) to NTD\$5,000,000 (exclusive)	-	-	-	-
NTD\$5,000,000 (inclusive) to NTD\$10,000,000 (exclusive)	-	-	-	-
NTD\$10,000,000 (inclusive) to NTD\$15,000,000 (exclusive)	-	-	-	-
NTD\$15,000,000 (inclusive) to NTD\$30,000,000 (exclusive)	-	-	-	-
NTD\$30,000,000 (inclusive) to NTD\$50,000,000 (exclusive)	-	-	-	-
NTD\$50,000,000 (inclusive) to NTD\$100,000,000 (exclusive)	-	-	-	-
More than NTD\$100,000,000	-	-	-	-
Total	15	15	15	15

Note 1: These are the salary and bonus received by the chairman of the Company in 2024.

Note 2: It is the directors' remuneration in 2024. The Board of Directors resolved on March 10, 2025 not to distribute the directors' remuneration.

Note 3: This refers to the transportation and travel expenses of the directors in 2024.

Note 4: These are and bonus received by the directors concurrently serving as employees in 2024.

Note 5: Net income after tax is the net income after tax of the 2024 parent-company only financial statements.

(II) Supervisor's remuneration: The Company has all the independent directors to form the Audit Committee as the replacement of supervisors.

(III) President's and Vice Presidents' remunerations

Unit: NTD thousand

Job title	Name	Salary (A) (Note 1)		Severance pay and pension (B)		Bonuses, and special allowances, etc (C) (Note 2)		Remuneration to employees (D) (Note 3)				Sum of A, B, C and D as a percentage of after-tax profit % (Note 4)		Compensation from reinvested business other than subsidiaries or the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Share amount	Cash amount	Share amount			
President	Weng Hua-Li	1,341	1,341	0	0	432	432	0	0	0	0	1,773 0.90	1,773 0.90	None
Chief Finance Officer	Weng Ju-I	1,341	1,341	0	0	432	432	0	0	0	0	1,773 0.90	1,773 0.90	None
Vice President	Chen Wen-Long	1,848	1,932	94	94	496	556	7	0	7	0	2,445 1.24	2,589 1.31	None

Remuneration range

Remuneration range paid to each president and vice president	Name of president and vice presidents	
	The Company	All companies in the financial statements
Less than NT\$1,000,000	-	-
NTD\$1,000,000 (inclusive) to NTD\$2,000,000 (exclusive)	Weng, Hua-Li; Weng, Ju-I	Weng, Hua-Li; Weng, Ju-I
NTD\$2,000,000 (inclusive) to NTD\$3,500,000 (exclusive)	Chen Wen-Long	Chen Wen-Long
NTD\$3,500,000 (inclusive) to NTD\$5,000,000 (exclusive)		
NTD\$5,000,000 (inclusive) to NTD\$10,000,000 (exclusive)	-	-
NTD\$10,000,000 (inclusive) to NTD\$15,000,000 (exclusive)	-	-
NTD\$15,000,000 (inclusive) to NTD\$30,000,000 (exclusive)	-	-
NTD\$30,000,000 (inclusive) to NTD\$50,000,000 (exclusive)	-	-
NTD\$50,000,000 (inclusive) to NTD\$100,000,000 (exclusive)	-	-
More than NTD\$100,000,000	-	-
Total	3	3

Note 1: These are the salaries and occupational allowance for 2024.

Note 2: These are the year-end bonuses, meal subsidies and bonuses of three festivals in 2024.

Note 3: It is the employees' remuneration in 2024. The distributed amount was resolved by the Board of directors on March 10, 2025. As the remuneration has not been actually distributed, the estimated amount is calculated based on the actual distribution proportion in 2023.

Note 4: Net income after tax is the net income after tax of the 2024 parent company only financial statements.

(IV) Remunerations of top five managerial officers in terms of remunerations

Unit: NTD thousand

Job title	Name	Salary (A) (Note 1)		Severance pay and pension (B)		Bonuses, and special allowances, etc (C) (Note 2)		Remuneration to employees (D) (Note 3)				Sum of A, B, C and D as a percentage of after-tax profit % (Note 4)		Compensation from reinvested business other than subsidiaries or the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Share amount	Cash amount	Share amount			
President	Weng Hua-Li	1,341	1,341	0	0	432	432	0	0	0	0	1,773 0.90	1,773 0.90	None
Chief Finance Officer	Weng Ju-I	1,341	1,341	0	0	432	432	0	0	0	0	1,773 0.90	1,773 0.90	None
Vice President	Chen Wen-Long	1,848	1,932	94	94	496	556	7	0	7	0	2,445 1.24	2,589 1.31	None
Director, Taoyuan Branch	Kuo, Mei-Chun	1,726	1,726	106	106	535	535	7	0	7	0	2,374 1.20	2,374 1.20	None
Manager of Finance Department	Lin, Wan-Yi	1,020	1,020	63	63	308	308	3	0	3	0	1,394 0.70	1,394 0.70	None

Note 1: These are the salaries and occupational allowance for 2024.

Note 2: These are the year-end bonuses, meal subsidies and bonuses of three festivals in 2024.

Note 3: It is the employees' remuneration in 2024. The distributed amount was resolved by the Board of directors on March 10, 2025. As the remuneration has not been actually distributed, the estimated amount is calculated based on the actual distribution proportion in 2023.

Note 4: Net income after tax is the net income after tax of the 2024 parent company only financial statements.

(V) Managerial officers to whom the employees' remuneration distributed to and the status

December 31, 2024; Unit: NTD thousand

	Job title	Name	Share amount	Cash amount	Total	Total as a percentage of net income after tax
Managerial officer	Vice President	Chen Wen-Long	0	17	17	0
	Manager of Finance Department	Lin, Wan-Yi				
	Director, Taoyuan Branch	Kuo, Mei-Chun				

Note: It is the employees' remuneration in 2024. The distributed amount was resolved by the Board of directors on March 10, 2025. As the remuneration has not been actually distributed, the estimated amount is calculated based on the actual distribution proportion in 2023.

(VI) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial statements, as paid by the company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, Presidents, and assistant Presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Total remuneration, as a percentage of net income stated in the parent company only financial statements

Name	The Company			All companies in the financial statements		
	2024	2023	Increase (decrease)	2024	2023	Increase (decrease)
Directors	6.14%	5.94%	3.37%	6.14%	5.94%	3.37%
President and vice presidents	3.04%	2.97%	2.36%	3.11%	3.04%	2.30%

Since January 1, 2011, the directors or shareholders of the Company and all entities in the financial statements, will be paid as general employees with salaries if they concurrently serve as the employees, pursuant to Article 24 of the Articles of Incorporation. Upon the measurement of the Company's current operation and the disbursement of salaries in the past years, no significant change is found. For the remuneration items of the Company and its subsidiaries in 2024 and 2023, aside from the Board of Directors' resolution—beginning in 2022—to suspend director remuneration in response to the COVID-19 pandemic, all other items remained unchanged with no significant variations. In 2024, the net income after tax in the parent-only financial statements decreased by approximately NT\$6,974 thousand compared to 2023. As a result, the ratio of total remuneration paid to directors, the President, and Vice Presidents to the parent-only net income after tax increased in 2024 compared to 2023.

2. Pursuant to Article 24 of the Articles of Incorporation of the Company, the directors or shareholders of the Company or any company in the financial statements, who concurrently serve as the employees, are deemed as ordinary employees and paid with salaries; also, pursuant to the amended Company Act in May 2015, and the amended Articles of Incorporation resolved by the AGM in June 2018, the Company provides for employee remuneration at 0.1%-4%, and director remuneration at no more than 4%, of current year's pre-tax profit before employee and director remuneration. However, profits must first be reserved to offset against cumulative losses (including adjustments to unappropriated earnings) if any. The estimated employees' remuneration and directors' remuneration on the book are NT\$300 thousand and NT\$0 for 2024. However, by the resolution adopted in the board meeting on March 10, 2025, the actual distributed amount is NT\$280 thousand for employees' remuneration and NT\$0 for directors' remuneration. The difference between the book and actual distribution will be adjusted in the income/loss of 2025. The actual distribution resolved by the board is expected to be reported in the AGM convened on June 26, 2025. The remunerations of the president and vice presidents are handled pursuant to the Company's remuneration policy. The bonus is issued by referring to the Company's overall operating performance achievement rate. The reviews for the above-mentioned remuneration procedures and the Company's overall operating performance are subject to the deliberation of the Remuneration Committee before submitted to the Board of directors for approval.

III. Operations of corporate governance

(I) Operation of Board of Directors

During the most recent year, 17 (A) meetings were held by the Board of Directors. The attendance of directors and supervisors was as follows:

(2024/1/1 ~ 2025/4/10)

Title	Name	Attendance in person (B)	Times of attendance by proxy	Actual attendance rate (%) (B/A) (Note 1)	Remarks
Chairman	Su Chien-I	16	1	94%	Re-elected on June 24, 2024
Directors	Su Chien-Hsing	10	1	91%	Inaugurated on June 24, 2024
Directors	UN INVESTMENT CO., LTD.				Discharged on June 24, 2024
	Representative: Su Yong-Chun	6	0	100%	
Directors	JIN DUO LIH ENTERPRISES PTY. LTD.				Re-elected on June 24, 2024
	Representative: Weng Chun-Chih	15	2	88%	
	Weng Ju-I	16	1	94%	
	Weng Hua-Ting	14	3	82%	
	Weng Hua-Li	15	2	88%	
Director	Jih-I Investment Co., Ltd.				Re-elected on June 24, 2024
	Representative: Huang Chung-Sheng	10	7	59%	
Independent Director	Lu Yu-Ting	16	1	94%	Re-elected on June 24, 2024
Independent Director	Zhan Sheng-Hua	5	1	83%	Discharged on June 24, 2024
Independent Director	Yang Wen-Ching	11	6	65%	Re-elected on June 24, 2024
Independent Director	Zhan Wei-Ren	10	0	91%	Inaugurated on June 24, 2024

Other matters that require reporting

- I. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed topics, Independent Directors' opinions and how the company has responded to such opinions:
 - (I) Conditions described in Article 14-3 of the Securities and Exchange Act: (please refer to the attached table 1)
 - (II) Other resolutions, except for the above-mentioned ones, in the board of directors meeting about which any independent director expresses dissent or reservation and a record or written statement is made: As of April 10, 2025, there has been no such thing in the Company.
- II. Implementation status of recusal due to conflict of interests

At the 15th meeting of the 16th Board of Directors held on January 25, 2024, the Board discussed the year-end bonus proposal and salary adjustments for the Chairperson, President, and CFO. Chairperson Su Chien-I, President Weng Hua-Li, and CFO Weng Ju-I voluntarily recused themselves from the discussion and resolution.

At the 4th meeting of the 17th Board of Directors held on August 19, 2024, the Board discussed the proposal regarding the acquisition of Wenzai Zun land by a subsidiary from a related party. Director Weng Chun-Chih voluntarily recused himself from the discussion and resolution.

At the 10th meeting of the 17th Board of Directors held on January 6, 2025, the Board discussed the year-end bonus and salary adjustments for managerial officers. President Weng Hua-Li and CFO Weng Ju-I voluntarily recused themselves from the discussion and resolution.
- III. Implementation of self- (or peer) appraisal of the Board of Directors (please refer to the attached table 2)
- IV. Goal for enhancement of board functions in the respective year and the most recent year and assessment of implementation conditions:
 1. On May 7, 2024, the Board of directors approved the "Regulation Governing Procedure for Board of Directors Meetings," to improve the information transparency and the managerial functions.
 2. The Company has set up three independent directors, also performing the duties of the Audit Committee and the Remuneration Committee, to strengthen the functions of the Board of directors, so that the Board of directors may make objective and independent judgments on the Company's finance and business, and improve the Company's system of directors and managerial officers' remuneration.

Note 1: Actual attendance (%) is calculated based on the meetings of the Board of Directors during the term of the office, and the times of in-person attendance.

Table 1

Meeting	Date	Proposal	Opinions of all independent directors and the Company's treatment to the independent directors' opinions
15th meeting of 16th Board of Directors	2024.01.25	Proposal to re-establish the Company's "Accounting System."	All independent directors approved the proposal as it was without dissent.
16th meeting of 16th Board of Directors	2024.03.07	Assessment of the independence and suitability of the appointed CPAs. 2024 audit fees of CPAs of Deloitte Taiwan Acquisition and disposal of land in Wenzizhen.	
17th meeting of 16th Board of Directors	2024.04.01	Capital increase in the subsidiary, De Hong Development Sale of the land in Wenzizhen to the related party.	
18th meeting of 16th Board of Directors	2024.05.07	Proposal of amendments to the Company's "Operational Procedures of the Acquisition and Disposal of Assets" Proposal for the purchase of land in Wenzai Zun. Proposal to invest in Anbogen Therapeutics, Inc.	
19th meeting of 16th Board of Directors	2024.05.13	Proposal for the purchase of land in Wenzai Zun.	
20th meeting of 16th Board of Directors	2024.06.11	Proposal for the purchase of land in Wenzai Zun.	
2nd meeting of 17th Board of Directors	2024.07.23	Proposal for the purchase of land in Wenzai Zun.	
3rd meeting of 17th Board of Directors	2024.08.08	Proposal for the purchase of land in Wenzai Zun.	
4th meeting of 17th Board of Directors	2024.08.19	Capital increase in the subsidiary, De Hong Development Acquisition of Wenzai Zun land by the subsidiary from a related party.	
5th meeting of 17th Board of Directors	2024.10.07	Capital increase in the subsidiary, De Hong Development	
6th meeting of 17th Board of Directors	2024.10.14	Sale of the land in Wenzizhen to the related party.	
7th meeting of 17th Board of Directors	2024.10.21	Acquisition and disposal of land in Wenzizhen.	
8th meeting of 17th Board of Directors	2024.10.29	Capital increase in the subsidiary, De Hong Development.	
9th meeting of 17th Board of Directors	2024.11.13	Formulation of the "Internal Control System for Sustainable Information Management". Formulation of the "Sustainable Information Management Audit Procedures".	
11th meeting of 17th Board of Directors	2025.03.10	Assessment of the independence and suitability of the appointed CPAs. 2025 audit fees of CPAs of Deloitte Taiwan. Proposal of attesting CPA replacement by Deloitte Touche. Amendment to the "Cybersecurity Management (Including Inspection) Audit Procedures".	

Table 2

Implementation of the Board of Directors' appraisal

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once per year	From January 1, 2024 to December 31, 2024	Board of directors	Internal self-evaluation by the board	Participation in the operation of the company;
				Improvement of the quality of the board of directors' decision making;
				Composition and structure of the board of directors;
				Election and continuing education of the directors; and Internal control.
Once per year	From January 1, 2024 to December 31, 2024	Individual board member	Self-evaluation of individual board member	Alignment of the goals and mission of the company;
				Awareness of the duties of a director;
				Participation in the operation of the company;
				Management of internal relationship and communication;
Once per year	From January 1, 2024 to December 31, 2024	Audit Committee and Remuneration Committee	Self-evaluation of the Audit Committee and the Remuneration Committee	Director's professionalism and continuing education; and Internal control.
				Participation in the operation of the company;
				Awareness of the duties of the functional committee
				Improve the quality of decision-making by functional committees
Once per year	From January 1, 2024 to December 31, 2024	Audit Committee and Remuneration Committee	Self-evaluation of the Audit Committee and the Remuneration Committee	Composition of the functional committee and election of its members
				Internal control.

(II) Operation of Audit Committee

1. The main function of the Audit Committee is to supervise the following matters:
 - (1) Fair presentation of the financial reports of the Company.
 - (2) The hiring (and dismissal), independence, and performance of certificated public accountants.
 - (3) The effective implementation of the internal control system of the Company.
 - (4) Compliance with relevant laws and regulations by the Company.
 - (5) Management of the existing or potential risks of the Company.
2. During the most recent year, 10 (A) meetings were held by the Audit Committee. The attendance of independent directors was as follows:

2024/1/1~2025/4/10

Job title	Name	Attendance in person (B)	Times of attendance by proxy	Actual attendance rate (%) (B/A) (Note 1 and 2)	Remarks
Independent Director	Zhan Sheng-Hua	4	0	100%	Discharged on June 24, 2024
Independent Director	Yang Wen-Ching	6	4	60%	Re-elected on June 24, 2024
Independent Director	Lu Yu-Ting	9	1	90%	Re-elected on June 24, 2024
Independent Director	Zhan Wei-Ren	6	0	100%	Inaugurated on June 24, 2024

Other matters that require reporting

- I. For operation of the Audit Committee that meet any of the following descriptions, state the Audit Committee meeting's date, session, independent directors' dissent, qualified opinion, or material recommendations, the discussed topics, resolution adopted by the Audit Committee, and how the company has responded to such opinions:
 - (I) Conditions described in Article 14-5 of the Securities and Exchange Act: (please refer to the attached table 1)
 - (II) Other resolution that has not been passed by the Audit Committee but passed by two-thirds or more of all Directors: As of April 10, 2025, there has been no such thing in the Company.
- II. If any independent director recused due to conflict of interest, the recused independent director's name, proposal, reason of recusal, and participation of voting:
As of April 10, 2025, there has been no proposal involved conflict of interest to be recused by any independent director.
- III. Communication among the independent directors, internal audit officers and the CPAs (including the material matters, method, and outcomes related to the Company's finance and business):
 1. The audit officer of the Company regularly report and submits audit work reports and audit reports to independent directors for inspection, and makes internal audit reports at the quarterly Audit Committee meetings. If there are major abnormalities, the audit officer will notify them in writing, but also convene a meeting to discuss and respond. However, there was no such abnormal situation in 2024. The independent directors of the Company and the internal audit officer have diversified and good communication channels with each other.
 2. The Company's CPAs report the results of the quarterly audit or review of the financial statements and other communications required by relevant laws and regulations in the quarterly Audit Committee meetings. If there are special circumstances, they will also immediately report to the Audit Committee members. There is no such special situation in 2024. The Audit Committee communicates with the CPAs well.The communicated matters between the independent directors and internal audit officers, or the CPAs: (please refer to attached table 2)

Note 1: Before the end of the year, none of the independent directors resigned.

Note 2: Actual attendance (%) is calculated based on the meetings of the Audit Committee during the term of the office, and the times of in-person attendance.

Table 1

Session	Date	Proposal	Objections, qualified opinions, or key recommendations of independent directors	All Audit Committee's opinions and the Company's treatment to such opinions
12th meeting of 2nd Committee	2024.01.25	Proposal to re-establish the Company's "Accounting System."	Without dissenting opinion	The Audit Committee approved the proposal as it was without dissent.
13th meeting of 2nd Committee	2024.03.07	2023 assessment for effectiveness of the internal control system, and the Statement of Internal Control System. 2023 parent company only and consolidated financial statements. Assessment of the independence and suitability of the appointed CPAs. 2023 professional service fees to Deloitte Touche. Acquisition and disposal of land in Wenzizhen.	Without dissenting opinion	
14th meeting of 2nd Committee	2024.04.01	Capital increase in the subsidiary, De Hong Development. Sale of the land in Wenzizhen to the related party.	Without dissenting opinion	
15th meeting of 2nd Committee	2024.05.07	2024 Q1 financial report. Proposal of amendments to the Company's "Operational Procedures of the Acquisition and Disposal of Assets".	Without dissenting opinion	
1st meeting of 3rd Committee	2024.08.08	2024 Q2 financial report.	Without dissenting opinion	
2nd meeting of 3rd Committee	2024.08.19	Acquisition of Wenzai Zun land by the subsidiary from a related party.	Without dissenting opinion	
3rd meeting of 3rd Committee	2024.10.14	Sale of the land in Wenzizhen to the related party.	Without dissenting opinion	
4th meeting of 3rd Committee	2024.10.29	Capital increase in the subsidiary, De Hong Development.	Without dissenting opinion	
5th meeting of 3rd Committee	2024.11.13	2024 Q3 financial report. Formulation of the "Internal Control System for Sustainable Information Management". Formulation of the "Sustainable Information Management Audit Procedures".	Without dissenting opinion	
6th meeting of 3rd Committee	2025.03.10	2024 assessment for effectiveness of the internal control system, and the Statement of Internal Control System. 2024 parent company only and consolidated financial statements. Assessment of the independence and suitability of the appointed CPAs. 2024 professional service fees to CPAs. Proposal of attesting CPA replacement by Deloitte Touche. Amendment to the "Cybersecurity Management (Including Inspection) Audit Procedures"	Without dissenting opinion	

Table 2

Summary of communications between the independent directors and internal audit officers in the recent two years are as following:

Date	Content	Independent Directors' opinions
2023.03.06 Audit Committee 2023.03.06 Board of directors	Internal audit report 2022 assessment for effectiveness of the internal control system, and the Statement of Internal Control System.	Without dissenting opinion
2023.05.08 Audit Committee 2023.05.08 Board of directors	Internal audit report.	Without dissenting opinion
2023.08.07 Audit Committee 2023.08.07 Board of directors	Internal audit report.	Without dissenting opinion
2023.11.06 Audit Committee 2023.11.06 Board of directors	Internal audit report. 2024 annual audit plan.	Without dissenting opinion
2024.03.07 Audit Committee 2024.03.07 Board of directors	Internal audit report. 2023 assessment for effectiveness of the internal control system, and the Statement of Internal Control System.	Without dissenting opinion
2024.05.07 Audit Committee 2024.05.07 Board of directors	Internal audit report.	Without dissenting opinion
2024.08.08 Audit Committee 2024.08.08 Board of directors	Internal audit report.	Without dissenting opinion
2024.11.13 Audit Committee 2024.11.13 Board of directors	Internal audit report.. 2025 annual audit plan.	Without dissenting opinion
2025.03.10 Audit Committee 2025.03.10 Board of directors	Internal audit report. 2024 assessment for effectiveness of the internal control system, and the Statement of Internal Control System.	Without dissenting opinion

Summary of communications between the independent directors and the CPAs in the recent two years are as following:

Date	Content	Independent Directors' opinions
2023.03.06 Audit Committee	Discussion regarding the audit of 2022 financial statements, including any audit problem, expected key audit matters of the annual report, and the reply from the management (closed-door meeting). Assessment of the independence and suitability of the appointed CPAs. Material amendments to laws and regulations, and the impact thereof.	Without dissenting opinion
2023.05.08 Audit Committee	Discussion regarding the review of 2023 Q1 financial statements, including any audit problem, and the reply from the management (closed-door meeting). Possible impact posed by major risk exposure on the consolidated financial statements.	Without dissenting opinion
2023.08.07 Audit Committee	Discussion regarding the review of 2023 Q2 financial statements, including any audit problem, and the reply from the management (closed-door meeting). Possible impact posed by major risk exposure on the consolidated financial statements.	Without dissenting opinion
2023.11.06 Audit Committee	Discussion regarding the review of 2023 Q3 financial statements, including any audit problem, and the reply from the management (closed-door meeting). Material amendments to laws and regulations, and the impact thereof.	Without dissenting opinion
2024.03.07 Audit Committee	Discussion regarding the audit of 2023 financial statements, including any audit problem, expected key audit matters of the annual report, and the reply from the management (closed-door meeting). Assessment of the independence and suitability of the appointed CPAs. Material amendments to laws and regulations, and the impact thereof.	Without dissenting opinion
2024.05.07 Audit Committee	Discussion regarding the review of 2024 Q1 financial statements, including any audit problem, and the reply from the management (closed-door meeting). Possible impact posed by major risk exposure on the consolidated financial statements.	Without dissenting opinion
2024.08.08 Audit Committee	Discussion regarding the review of 2024 Q2 financial statements, including any audit problem, and the reply from the management (closed-door meeting). Possible impact posed by major risk exposure on the consolidated financial statements.	Without dissenting opinion
2024.11.13 Audit Committee	Discussion regarding the review of 2024 Q3 financial statements, including any audit problem, and the reply from the management (closed-door meeting). Material amendments to laws and regulations, and the impact thereof.	Without dissenting opinion
2025.03.10 Audit Committee	Discussion regarding the audit of 2024 financial statements, including any audit problem, expected key audit matters of the annual report, and the reply from the management (closed-door meeting). Assessment of the independence and suitability of the appointed CPAs. Proposal of attesting CPA replacement by Deloitte Touche. Material amendments to laws and regulations, and the impact thereof.	Without dissenting opinion

(III) Corporate Governance Implementation and Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Assessment criteria	Implementation			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I. Has the company established and disclosed its corporate governance principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?”	Yes		The Company has established the “Corporate Governance Best Practice Principles” per the resolution by the Board of Directors on November 6, 2023. On November 6, 2023, the Board approved the appointment of the first chief corporate governance officer. Each operation has complied with the competent authority’s regulations. The information of the corporate governance officer and his annual continuing education are disclosed on the Company’s website for inquiry.	No material deviation.
II. Shareholding structure and shareholders’ interests				
(I) Has the Company implemented a set of internal procedures to handle Shareholders’ recommendations, queries, disputes, and litigations?	Yes		The Company has established the “Corporate Governance Best-Practice Principles,” per the resolution by the Board of directors on November 6, 2023. On November 4, 2022, the “Procedures for Handling Internal Material Information” were amended; and the “Standard Operating Procedure for Handling Directors’ Requests” were approved by the Board of directors on May 6, 2019. The spokesperson system is established. To ensure the interests of shareholders, the spokesperson and the deputy spokesperson are responsible to handle the suggestions, questions, and disputes of directors.	No material deviation.
(II) Is the Company constantly informed of the identities of its major shareholders and the ultimate controller?	Yes		Through the shareholder registry furnished by the professional stock affair agency, the Company is constantly informed of the shareholdings of its directors, managerial officers, and major shareholders with 5% or more stake, and report the major shareholders’ shareholding on time.	No material deviation.
(III) Has the Company established and implemented risk management practices and firewalls for companies it is affiliated with?	Yes		The Company established the “Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises” on November 12, 2014, and approved by the Board of directors for enactment. On December 19, 2014, the President approved to establish the “Procedures of Supervisory and Managerial Operation to Subsidiaries,” for establishing the risk control and firewalls among the affiliates.	No material deviation.
(IV) Has the Company established internal policies that prevent insiders from trading securities	Yes		The Company has established the “Procedures of Handling Internal Material Information,” the “Code of Ethical Conducts,”	No material deviation.

Assessment criteria	Implementation			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
against non-public information?			and “Enforcement Rules of Ethical Corporate Management,” to regulate the insiders of the Company shall not use undisclosed information in the market to trade securities, and s informed all directors, managerial officers and employees; the operating procedures and principles are uploaded to the Company's website for all employees to follow.	
III. Composition and responsibilities of the Board of Directors				
(I) Has the board of directors prescribed the diversity policy, the specific management targets thereof, and implement such?		No	Although the Company has not formulated a policy for diversification of board members, each director has an average of more than 20 years of experience in his/her professional field, and with the assistance of accountants and lawyers appointed by the Company, it has actually reached the stage of diversification.	Based on the regulator’s requirements and actual needs of the Company, the establishment may be made.
(II) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	Yes		Currently, the Remuneration Committee and Audit Committee have been established in accordance with the law, and the Sustainable Development Committee was established on October 7, 2024.	No material deviation.
(III) Has the Company established a set of policies and assessment methodology to evaluate the performance of the Board? Is regular performance evaluation conducted, at least once a year, and the evaluation result is submitted to the Board to serve as a reference in determining the remuneration of individual Directors and a nomination for re-election?	Yes		The “Regulations Governing Performance Evaluation of the Board of Directors” were approved by the Board of Directors on November 9, 2020. Internal self-evaluations of the Board and individual directors for 2023 and 2022 were completed in January 2024 and January 2023, respectively, and the evaluation results were reported to the Board in March 2024 and March 2023. At present, the Remuneration Committee, in accordance with its organizational charter and responsibilities, regularly reviews the policies and standards for both annual and long-term performance goals of directors and conducts periodic assessments of their performance goal achievement.	No material deviation.
(IV) Does the Company assess the independence of external auditors regularly?	Yes		The Company regularly (at least once a year) to assess the CPAs’ independence and competence by referring to the Audit Quality Indicators (AQIs). The board has discussed and approved the above on March 7, 2024 and March 10, 2025 (please refer to the table for details), and obtained the statement of independence from the accounting firm.	No material deviation.

Assessment criteria	Implementation			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
IV. Does the TWSE/TPEX listed company dedicate competent managers or a sufficient number of managers to take charge of corporate governance, and designate supervisors thereof to oversee the corporate governance affairs (including but not limited to providing information required for director/supervisor's operations, assisting the Board and Supervisors in legal compliance, convening Board/Shareholders' meetings in accordance with the law, applying for/changing company registry, and producing meeting minutes of Board/Shareholders' meetings)?	Yes		<p>The Company's current corporate governance-related business is performed by the staff of the President's Office (including the Vice President and the secretary of the Board of directors) dedicatedly and the Financial Department concurrently. The Vice President, Chen, Wen-Long is designated as the corporate governance officer.</p> <p>2024 implementation of the corporate governance officers' business.</p> <ol style="list-style-type: none"> 1. Took professional course related to corporate governance for 15 hours. 2. Handle the registration of the date prior to the shareholder meeting pursuant to laws; produce meeting notices, agenda handbook, and the minutes within the statutory time limit, and handle the change registrations if the Articles of Incorporation are amended, or the directors are re-elected. 3. Prepare the agenda of board meetings and notify the directors seven days in advance, convene meetings and provide meeting materials, and complete the minutes of the board meeting within 20 days after the meeting. 4. Responsible for the release of material information regarding important resolutions of board meetings and shareholders' meetings; ensure the legality and correctness of the content of the material information, to ensure the equivalence of investors' transaction information. 5. Provide information on continuing education courses for independent directors and ordinary directors. 6. Independent directors communicate regularly with attesting CPAs to understand the Company's finance and business. 7. Evaluate and purchase appropriate liability insurance for directors and managerial officers. 	No material deviation.
V. Has the Company established a means of communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, et cetera) or created a	Yes		<p>Pursuant to regulations, the Company has set up the complaint channel for the stakeholders as a dedicate section on the Company's website(http://www.tonlin.com.tw), and has dedicated staff (such as a spokesperson or deputy spokesperson)</p>	No material deviation.

Assessment criteria	Implementation			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
stakeholder section on the Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?			to serve and respond various concerns and issues of various stakeholders.	
VI. Does the Company appoint the professional stock transfer agent to handle the affairs of the shareholders' meeting?	Yes		The Company has appointed Stock Affair Agency Department, Grand Fortune Securities Co.,Ltd to handle affairs of shareholders' meetings on behalf of the Company, and has the "Regulations Governing the Administration of Shareholder Services" in place to regulate related affairs.	No material deviation.
VII. Information Disclosure				
(I) Has the company established a website that discloses financial, business, and corporate governance-related information?	Yes		Pursuant to regulations, the Company has set up the shareholder section on the website(http://www.tonlin.com.tw), to disclose various information about finance, business and corporate governance.	No material deviation.
(II) Does the Company adopt other avenues for information disclosure (e.g. setting up an English website, designating specific personnel to collect and provide disclosure on the Company, implementing spokesperson system, disclosing the process of institutional investor conferences on the Company website and et cetera)?	Yes		The Company has a spokesperson and deputy spokesperson, and designated staff are in charge of the collection and disclosure of company information. The Company was invited to Grand Fortune Securities' investor conference on December 4, 2024. The presentation materials in both Chinese and English have been disclosed on the MOPS and the Company's website after the investor conferences.	No material deviation.
(III) Does the Company publicly announce and file the annual financial reports within two months after the accounting year-end, and publicly announce and file the first, second and third quarterly financial reports and monthly operating status reports before the stipulated deadlines?		No	The Company complies with the Regulations Governing the Announcement and Filing of Financial Reports and Operational Status of Public Companies, announcing and filing its annual financial reports within 75 days after the end of the fiscal year, in accordance with the applicable special provisions. Pursuant to Article 36 of the Securities and Exchange Act, the Company also announces and files its financial reports within 45 days after the end of the first, second, and third quarters. In addition, the Company announces and files its monthly operating results by the 10th of each month.	All required disclosures are made within the prescribed deadlines.
VIII. Does the Company have other important information for better understanding the Company's corporate governance system	Yes		1. Employees' interests The Company protects the employees' interests pursuant to the Labor Standard Act and other related laws and regulations.	The related information will be added if required by laws and investors

Assessment criteria	Implementation			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(including but not limited to interests and rights of Employees, care for Employees, investor relations, relations with suppliers, relations with stakeholders, continuing education of directors and supervisors, execution of risk management policies and risk measuring standards, execution of customer policies, liability insurance for the Company's directors and supervisors)?			<p>2. Employees' welfare The Company has established the Employee Welfare Committee, implemented the retirement system, set up the employee mailbox, handled various employee training courses and employee group insurance, and arranged employee health checks; it values harmonious labor relations.</p> <p>3. Investor and stakeholder relation: The Company's website, http://www.tonlin.com.tw: has shareholders' section and complaint-filing section for stakeholders in place</p> <p>4. Supplier section: The Company maintains smooth communication channels with vendors and customers, and maintains a good relationship of mutual assistance and cooperation.</p> <p>5. Stakeholder's rights: Stakeholders may communicate with and make suggestions to the Company to protect their legitimate rights; they may inquire about the Company's financial, business and corporate governance information on the Company's website.</p> <p>6. Implementation of customer policy The Company has a customer service team to insist good service quality by upholding the operating philosophy as customers first.</p> <p>7. Purchase of liability insurance for directors: the Company's Articles of Incorporation has the related requirement and the insurance has been bought.</p>	

Assessment criteria	Implementation			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	

IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved:

The Company's corporate governance evaluation results for listed companies in 2023 were 81% - 100%. The Company reviews the indicators that still meet the scoring standards based on the results of the recent corporate governance evaluation and the corporate governance evaluation published in the most recent year, arranges the improvement schedule, and continues to improve most of the non-compliant items. The improved matters and priority matters to be enhanced in 2023 are stated as follows:

Item	Evaluation Indicators	Status of improvements
Improved matters	2.24	The Company has disclosed the information related to cyber security management in the 2022 annual report.
	4.15	The Company has disclosed the ethical management policy approved by the Board of Directors, specified the specific practices and the program to prevent unethical conduct, and explained the implementation status in the 2022 annual report.
Priority matters to be enhanced	2.18	The Company expects to conduct an internal performance evaluation on the functional committees (including at least the Audit Committee and Remuneration Committee) in 2024, and disclose the implementation status and evaluation results on the Company's website or in the annual report.
	3.16	The Company will update the name list of shareholders with a stake of 5 percent or greater, or top 10 shareholders in shareholding percentage. Meanwhile, 2024 is set as the base year.
	3.17	The Company plans to disclose the diversity policy of the Board of Directors and implementation status thereof on its website in 2024.
	4.9	The Company expects to disclose the specific contents and implementation of the retirement system on the Company's website and in the 2023 annual report in 2024.

Attached Table

**Tonlin Department Store Co., Ltd.
Evaluation of the independence of CPAs
2024**

Assessment criteria	Assessment outcome	If the independence is achieved
1. Whether the members of the audit team, their spouses and dependent relatives have no direct or indirect significant financial interests with the Company.	Yes	Yes
2. Whether the members of the audit team, their spouses and dependent relatives have no commercial relationship with the Company, directors and managerial officers affecting their independence.	Yes	Yes
3. Whether the members of the audit team, their spouses and dependent relatives have not served as the Company's directors, managerial officers or positions that have a direct and significant influence on the audit work.	Yes	Yes
4. Whether the members of the audit team do not have a spouse, direct blood relative, immediate in-laws, or relatives within 2nd degree of kinship with the directors or managerial officers of the Company.	Yes	Yes
5. Whether the members of the audit team have not received gifts or presents of great value (the value of which does not exceed the standard of general social etiquette) from the Company or directors, managerial officers or major shareholders.	Yes	Yes
6. Whether the members of the audit team have implemented the necessary independence/conflict of interest procedures and have not found any violation of independence or unresolved conflicts of interest.	Yes	Yes

(IV) If the Remuneration Committee is established, the composition and operation shall be disclosed.

1. Information of Remuneration Committee members

April 10, 2025

Qualification Identity (Note) / Name		Industrial experience					Professional abilities			No. of other listed companies serving as remuneration committee member concurrently
		Retail	Development of lands; real estate leasing	Food and beverage	Finance	Information and technology	Law	Accounting	Management	
Independent director (Convener)	Lu, Yu-Ting	V		V				V	V	None
Independent director	Yang Wen-Ching				V		V			1
Independent director	Zhan Wei-Ren			V		V			V	None

Note: The Remuneration Committee members' conformity to the independence criteria as below:

None of the member of the Remuneration Committee, their spouses and relatives within the second degree of kinship serve as the director, supervisor, or employee of the company or any of its affiliates, or the companies having special relationship with the Company.

For the members of the Remuneration Committee, their spouse, or relative within the second degree of kinship's (or held by the person under any other's name) shareholdings, the weight and main educational background thereof, please refer to the (1) Information of Directors in the section of information of directors, presidents, vice president, associate vice president, and head of branches.

In the recent two years, no member of the Remuneration Committee has provided commercial, legal, financial, accounting or related services to the company or any affiliate of the company, and received related compensations.

2. Operation of the Remuneration Committee:

(1) The Compensation Committee has 3 members.

(2) Term of office for the members of 6th Committee: from June 24, 2024 to June 23, 2027. During the most recent year, 5 (A) meetings were held by the Remuneration Committee. The attendance and qualification of members was as follows:

(2024/1/1 ~ 2025/4/10)

Job title	Name	Attendance in person (B)	Times of attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Previous convener	Zhan Sheng-Hua	3	0	100%	Discharged on June 24, 2024
Convenor	Lu Yu-Ting	4	1	80%	Re-elected on June 24, 2024
Member	Yang Wen-Ching	3	2	60%	Re-elected on June 24, 2024
Member	Zhan Wei-Ren	2	0	100%	Inaugurated on June 24, 2024

Other matters that require reporting

I. If the board of directors does not accept or modify the suggestions from the Remuneration Committee, the date and the number of times of the meeting, contents of the proposal, the board of directors' resolution, and the response of the Company to the suggestions shall be stated. (If the remuneration approved by the board of directors is higher than the Remuneration Committee suggests, the difference and the reason shall be stated.) :

There was no such situation in the Remuneration Committee meeting in the most recent year.

II. If there is a discussed matter in the Remuneration Committee opposed by the members, or a matter the members hold qualified opinions on, which had record or statement in writing, the date and the number of times of the meeting, contents of the proposal, opinions of all members and the response to the opinions shall be stated:

Please refer to the attached table.

Note 1: Actual attendance (%) is calculated based on the meetings of the Remuneration Committee during the term of the office, and the times of in-person attendance.

Attached Table

Meeting	Date	Proposal	All Remuneration Committee members' opinions and the Company's treatment to such opinions
9th meeting of 5th Committee	2024.01.25	Discussion about the 2024 working plan of the Company's Remuneration Committee. Review the scope of applicable managerial officers that the Company should submit to the Remuneration Committee for remuneration pre-review. Review the various salary and remuneration projects that the Company plans to implement in 2024. Review the policies, systems, standards and structure of directors and managerial officers' performance evaluation and remuneration. 2023 year-end bonus for managerial officers. Salary adjustment for the Chairman, President and Chief Financial Officer.	The Remuneration Committee approved the proposal as it was without dissent.
10th meeting of 5th Committee	2024.03.07	Proposal for allocation of 2023 employee remuneration and director remuneration.	
11th meeting of 5th Committee	2024.05.07	Proposal for allocation of 2023 employee remuneration to managerial officers and directors'/supervisors' remuneration.	
1st meeting of 6th Committee	2025.01.06	Discussion about the 2025 working plan of the Company's Remuneration Committee. Review the scope of applicable managerial officers that the Company should submit to the Remuneration Committee for remuneration pre-review. Review the various salary and remuneration projects that the Company plans to implement in 2025. Review the policies, systems, standards and structure of directors and managerial officers' performance evaluation and remuneration. Salary adjustment for the Chairman and managerial officers. 2024 year-end bonus for the Chairman and managerial officers.	
2nd meeting of 6th Committee	2025.03.10	Proposal for allocation of 2024 employee remuneration and director remuneration.	

(V) Implementation of Promoting Sustainable Development and Variance from “the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies”

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
I. Has the Company established the governance framework for promoting sustainable development a designated unit in charge of promoting sustainable development, and the senior management is authorized by the Board of Directors for handling, as well as the status of Board of Directors’ oversight?	V		<p>1. On November 6, 2023, the Board of Directors of Tonlin Department Store approved the “Corporate Governance Best Practice Principles.” The Board authorized the Vice President to establish the Sustainability Promotion Committee, with the Vice President appointed as the Chairperson of the committee. Additionally, on October 7, 2024, the “Organizational Charter of the Corporate Sustainability Committee” was approved. Chairperson Su Chien-I, President Weng Hua-Li, and Vice President Chen Wen-Long were appointed as committee members.</p> <p>2. The Sustainability Committee is responsible for formulating sustainable development policies and promoting their implementation within the Company, with the aim of gradually embedding the concept of sustainability into Tonlin Department Store’s corporate culture.</p> <p>3. Set up the section specific to stakeholders on the Company’s website, and appropriately respond to the important sustainable issues concerned by stakeholders. In the future, Tonlin Department Store also plans to report the results of ESG implementation to the board of directors every year, to strengthen the participation of the board of directors in the Company’s implementation results of ESG.</p>	<p>1. The 2024 Sustainability Report is scheduled to be announced upon the approval of the Board of Directors by August 31, 2025.</p> <p>2. No material deviation.</p>
II. Does the company assess the risk of the environment, society, and issue of management of the company and set up a policy or strategy of risk management, according to principle of importance?	V		<p>1. The risk assessment boundaries includes internal boundaries and external boundaries (including shareholders/investors, customers, contractors, employees, lessees (including counters)).</p> <p>2. Tonlin Department Store’s Sustainable Development Committee has formulated 16 sustainable issues as follows:</p>	<p>1. The Sustainability Report is scheduled to be announced upon the approval of the Board of Directors by August 31, 2025.</p> <p>2. No material deviation.</p>

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>(1) Economic aspects: operating performance, corporate governance, legal compliance, customer appealing mechanism, anti-corruption.</p> <p>(2) Environmental aspects: supplier management, energy, carbon emissions, and waste.</p> <p>(3) Social aspects: labor-management relations, talent cultivation, shopping mall safety, food safety, participate in charity activities, Occupational safety, information security, and privacy protection.</p> <p>3. By distributing online questionnaires to ask key stakeholders to complete (covering shareholders/investors, employees, customers, contractors, lessees, media and government agencies), the scores on the degree of concern by key stakeholders to various sustainable issues are obtained.</p> <p>4. Meanwhile, the online questionnaires were provided to the Company’s executives to score the impact of each sustainable issue on Tonlin Company. The two sets of scores were compiled to obtain a matrix of material topics, and the Sustainable Development Committee discussed, and picked the most concerned sustainability issues from the three aspects, namely environmental, social and economic, as the material topics of the year.</p> <p>5. It is confirmed that Tonlin Department Store shall prioritize the disclosure of seven key material topics across environmental, social, and economic dimensions for the year, namely: corporate governance, labor-management relations, mall safety, food safety, public welfare, information security and privacy protection. Additionally, the Company will voluntarily disclose information related to the topic of energy. Tonlin Department Store will explain the management guidelines of each material topic and related disclosures in the sustainability report.</p>	

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>Meanwhile, to balance the information in the sustainability report, the results of Tonlin Department Store's contributions to public welfare will be supplemented.</p> <p>6. The risk management structure of the Tonlin Company is centered at various accountable departments, to conduct relevant risk assessments, assess the probability of risk occurrence and the degree of impact on Tonlin Company. Furthermore, the specific high-risk items are responded to, to ensure that the Company achieves the purpose of sustainability operation.</p>	
III. Environmental Issue				
(I) Does the company set up an appropriate environmental management system, according to the feature of the industry?	V		The Company handles daily affairs by complying with the environmental protection related regulations (such as indoor air quality, waste disposal, air-conditioning temperature, use of disposable utensils).	<p>1. The future annual energy saving target is not yet established.</p> <p>2. The Sustainability Report is scheduled to be announced upon the approval of the Board of Directors by August 31, 2025.</p>
(II) Is the Company committed to improving energy utilization efficiency and to the use of renewable materials with low environmental impact?	V		When planning the Company’s energy, the energy efficiency (e.g. energy-saving products such as ice water mainframe, power-saving lamps, and photocopying with recycled paper) is taken into account.	<p>1. The future annual energy saving target is not yet established.</p> <p>2. The Sustainability Report is scheduled to be announced upon the approval of the Board of Directors by August 31, 2025.</p>
(III) Does the Company evaluate current and future climate change potential risks and opportunities and take measures to respond the climate related issues?		V	<p>1. Climate risk:</p> <p>Tonlin Department Store monitors the trend of global climate change and the direction of international response, and by referring to the "Climate-Related Financial Disclosure Proposal" published by the Task Force on Climate-Related Financial Disclosures (TCFD), disclose in the climate change information and the inherent risks and opportunities in important corporate reports. The climate risks also directly or indirectly affect business operations and consumers’ consumption behaviors. Tonlin Department Store</p>	<p>1. The Sustainability Report is scheduled to be announced upon the approval of the Board of Directors by August 31, 2025.</p>

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>understands that if energy-related management is not actively implemented, it may face negative effects including increased expenditures and costs, and impact on the environment. In response to the international trend, Tonlin has completed the 2025 greenhouse gas emission survey (the consolidated company has completed the survey before April 30, 2027) by April 30, 2026, and is engaged in energy conservation and carbon reduction related management in accordance with the regulations, in order to reduce the cost risk, provide customers with environmental protection and energy-saving services, and improve the competitiveness and resilience of the department store in terms of sustainability issues.</p> <p>2. Structure of climate risk:</p> <p>(1) Governance: To implement the corporate social responsibility, the Company's Sustainable Development Committee is responsible for coordinating issues related to climate change, and holds climate risk meetings every year. Furthermore, the chair reports to the senior management on the implementation performance of the management system, as well as the recommendations for improvement needed. And in the fourth quarter of each year, the board of directors reports the implementation results of the year and the work plan for next year, while listening to the board of directors' opinions for amendments. Incorporate issues related to climate change risks and their management objectives.</p> <p>(2) Strategy: Definition of short-term and long-term ranges for climate-related risks and opportunities is that "1-3 years" are set as short-term and "4-10 years" are set as long-term, and the climate risks and opportunities are assessed accordingly. Types of climate risks include transformation risk</p>	

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>and physical risk, which are further divided into policy and regulation, technologies, market transformation risk, and immediate and long-term physical risks. Opportunities are divided into five categories: resource efficiency, energy sources, products and services, markets, and organizational resilience.</p> <p>(3) Risk management: Tonlin Department Store identifies that the climate change factors may result in the operational transformation and physical risks of the Company, and potential opportunities. The discussions are based on the three risk factors provided by each unit, then the high risks and opportunities are selected to link short-term and long-term key climate risk indicators; through quantitative or qualitative methods, the financial impact assessment is conducted, and then the relevant responding strategies and set key climate goals are formulated.</p> <p>3. Risk identification</p> <p>(1) Transformation risk:</p> <p>① Policies and regulations: The imposition of carbon taxes and new regulations and regulatory penalties lead to increased operating costs. After understanding the regulations, experts are engaged to help the improvement. Provide information on changes in laws and regulations every quarter, for all employees to grasp changes in laws and regulations.</p> <p>② Market: Changes in consumer behaviors and consumer preferences lead to a decline in revenue. After grasping market trends and customer needs, the Company will recruit merchants according to market trends.</p> <p>(2) Physical risk:</p> <p>① Immediate: The probability of typhoons and</p>	

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>floods has increased and normal business cannot be performed. Various standard operating procedures have been established for the emergency responses. Strengthen flood control (gates), and typhoon-proof equipment, and mitigate losses through insurance.</p> <p>② Long-term: Increased probability of water shortages, power shortages, and failure to operate normally. The disaster-prevention mechanism and notification mechanism have been established, and a crisis team has been established. Continue to invest in disaster prevention equipment and system maintenance. Or the average temperature rises and the operating cost increases, requiring to enhancing the functions of air conditioners and set the air-conditioning temperature higher.</p> <p>(3) Opportunities: Improve resource efficiency, save energy, reduce carbon, and lower operating costs. The energy-saving lights and equipment (such as chillers or higher air-conditioning temperature), or reduce water consumption and lower operating costs, and use circular water-saving valves.</p>	
(IV) Does the company calculate the emission of green house gas, water consumption, and the amount of waste, and set up a managerial policy of reducing green house gas, reducing using water, or other waste?		V	<p>1. Statistical data of the parent company in the last two years:</p> <p>(1) Greenhouse gas: The boundary for the greenhouse gas inventory is defined using the operational control approach, covering two operating sites. The Scope 2 greenhouse gas emissions (unit: tons CO₂e) for each location are as follows:</p> <p>Taipei Store: 2023: 2,218 2024: 2,231</p> <p>Taoyuan Store: 2023: 6,146 2024: 5,774</p> <p>(2) The Taipei Store is leased and water usage is managed by the building’s management</p>	<p>1. The Sustainability Report is scheduled to be announced upon the approval of the Board of Directors by August 31, 2025.</p>

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>committee. Statistics for Taoyuan Store Water consumption (unit: ton): 2023: 144,646 2024: 145,925</p> <p>(3) Waste (unit: ton): 2023: Garbage: 194.10; food residual: 52; waste water: 79,878 2024: Garbage : 199.86; food residual: 52.5; waste water: 82,863</p> <p>2. (1) Management policy to reduce water consumption: adjust the water output at the faucets, reduce the water supply pressure, and inspect the equipment regularly. (2) Waste management policy: Garbage removal, resource reclaim, food residual recycling, and waste water removal are all handled by qualified service providers and reported regularly.</p>	
IV. Social Issues (I) Does the Company formulate relevant management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?	V		1. The Company handles pursuant to laws and regulations, such as the Labor Standards Act and the Act of Gender Equality in Employment.	1. The Company has not established policies and procedures in compliance with regulations and internationally recognized human rights principles In the future, relevant regulations will be formulated and disclosed in the sustainability report (according to Labor Standards Act, Act of Gender Equality in Employment and other laws and regulations. 2. The Sustainability Report is scheduled to be announced upon the approval of the Board of Directors by August 31, 2025.
(II) Has the Company formulated and implemented reasonable employee benefit measures (including remuneration, leave, and other benefits) and reflected business performance or achievements in employee remuneration	V		The Articles of Incorporation specify that profits concluded from a financial year are subject to employee remuneration of 0.1%-4% and director remuneration of no more than 4%. However, profits must first be reserved to offset against cumulative losses (including	1. The Sustainability Report is scheduled to be announced upon the approval of the Board of Directors by August 31, 2025. 2. No material deviation.

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
appropriately?			<p>adjustments to unappropriated earnings) if any.</p> <p>Employee remuneration, as mentioned in the preceding Paragraph, can be paid in cash or in shares. Payments may also be made to employees of subordinate companies that satisfy the eligibility criteria. The above director remuneration can only be paid in cash.</p> <p>The Board of Directors of the Company approved the revision of the Articles of Incorporation on March 10, 2025. The above-mentioned 0.1%-4% of the employees' remuneration, of which no less than 20% is appropriated as the remuneration to the entry-level employees, shall be resolved in the shareholders' meeting on June 26, 2025.</p> <p>The employee compensations are determined based on the Company's annual appraisals and profitability. Employees are provided with the salary level exceeding local regulations. To ensure that the employees' performance is properly presented in their personal compensations, all employees receive regular performance appraisals, and the promotions are also based on the appraisal results to offer ample opportunities for career development. The compensation evaluation is mainly based on the individual's working experience, education, experience and professional abilities, without taking gender or age as the basis to differentiate compensations. Hence, the employees do not need to worry about their personal economic lives when making contributions to the Company, while have the loyalty and sense of belonging to the Company. In addition, to improve the work efficiency of employees, the employees are provided with various benefit measures and a comfortable office environment. Through various employee benefit activities held from time to time, not only the workload of employees are mitigated, the positive interaction among employees are enhanced.</p> <p>Employee benefits:</p>	

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<ol style="list-style-type: none"> 1. Group accident insurance 2. Subsidies for wedding/birth/funeral 3. Bonuses for three major festivals 4. Year-start monetary gift 5. Performance bonus 6. Year-end bonus 7. Employee warrants/ profit-sharing scheme 8. Regular health examination 9. Birthday gift money 10. Children's education scholarship and grants 11. Breastfeeding room 12. Subsidies for continuing education and fitness 13. Employee travel/year-end parties 14. Major emergency relief funds 15. Condolence money for hospitalization 16. Discounts for employees in contracted merchants 17. The pension system is divided into <ol style="list-style-type: none"> a. Defined benefit plan (old pension system) The Company's retirement system fully complies with the Labor Standards Act. Those who have served for 15 years or longer and aged 55 years old or older, have served for 25 years or longer, or have served for 10 years or longer and aged 60 years old or older, are eligible for voluntary retirement. Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. Tonlin Department Store has established the supervisory committee and dedicated deposit account for contribution. As of the end of 2024, the balance of the dedicated account has been NT\$27 million, which has been contributed in full. b. Defined contribution plan (new pension system) Since July 1, 2005, in accordance with the Labor Pension Act, the Company contributes pensions at 	

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			a rate of no less than 6% of the monthly salary and deposit the contribution to the dedicated labor pension accounts.	
(III) Does the Company provide employees with a safe and healthy work environment and offer safety and health education to employees regularly?	V		<p>Occupational health and safety policies:</p> <ol style="list-style-type: none"> 1. Pursuant to the Occupational Safety and Health Act and the Company's business features, the Company has prescribed the code of working suitable for employees to implement, as the basis for employees to conduct operations. 2. Pursuant to the Occupational Safety and Health Act, the Company's contracted vendors, contractors, and construction provider for renovation are informed with the hazards when working on site, and other matters to be pay attentions to regarding health and safety when working. <p>Working environment for workers monitoring: Pursuant to the Regulations Governing the Monitoring to Work Environment for Worker, the Company shall monitor the carbon dioxide concentration at least once every six months in the indoor workplaces of buildings with central air-conditioning regulators, to provide employees with a healthy and comfortable working environment.</p> <p>Management and improvement:</p> <ol style="list-style-type: none"> 1. Annual review: improvements are made to the deficiencies found during the implementation; improvement methods and countermeasures are proposed and formulated to establish the Company's decision-making for occupational accident risk management. 2. In the daily course, problems may also be found through walking management or on-site inspections, or from the chats with employees, to take preemptive measures before incident occurs to prevent occupational disasters. 3. Safety and health education and promotion to 	1. The Sustainability Report is scheduled to be announced upon the approval of the Board of Directors by August 31, 2025.

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>employees are conducted from time to time, and employees are encourage to raise improvement suggestion, among other matters.</p> <p>4. There was no fire incident suffered by the Company in 2024. The number of fatalities was 0. The ratio of fatalities and injuries to the total number of employees was 0.</p> <p>The Company's related measures in response to fire incidents are stated as follows: Formulate a fire protection plan based on the characteristics of the building, implement a fire prevention management system, conduct self-defense fire drills according to the fire plan, and establish and maintain good shopping mall safety measures by combining fire safety equipment and fire evacuation facilities. The fire drills are conducted every week to maintain the safety of customers, employees and the Company's property. 50 drills have been carried out in 2024.</p> <p>The Public Works Section also carries out fire safety inspections on a regular basis to ensure that fire equipment is safe and may be used fairly. Zero deficiency was found during the fire inspection in 2024.</p>	
(IV) Has the Company established an effective career development training program for employees?	V		<p>The company has planned complete functional trainings for employees, including orientations, professional training, to help employees to continue learning and growing through diversified learning methods, while introducing courses related to corporate ethics and belief development, to cultivate the key capabilities of employees. Plan courses on sustainable development, equal work opportunities, and labor rights, and encourage employees to participate. In 2024, a total of 294 attendees completed professional on-the-job education and trainings with a total of 513 hours. Re-training of occupational labor safety and health training was 100% completed.</p>	<p>1. The Sustainability Report is scheduled to be announced upon the approval of the Board of Directors by August 31, 2025.</p>

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant policies and complaint procedures to protect consumers’ or customers’ rights and interests?	V		<ol style="list-style-type: none"> 1. The Company holds and controls the value key of merchandise, and continues to track merchandise safety information, and improve the internal reporting mechanism; the Company has established the “Procedures for Ethical Management and Guidelines for Conduct” as the implementation of merchandise safety promise. 2. The Company has established the personal information protection management system and policy, to manage and protect the privacy of customers; through internal audit of personal information and crisis prevention, the customer information is safeguarded. The quantitative data and management indicators related to the individual information protection policy in 2024 are as follows: <ol style="list-style-type: none"> (1) The Company does not have employees participating in the training course on personal information protection. (2) Response to incidents and risk management: 90% of the complaints were replied within 3 days. 3. The Company strictly observes relevant government regulations, and established relevant operating procedures for marketing and advertisements internally, while entering agreements with external vendors, some marketing materials must be reviewed by the Company before marketing. 4. The Company has established the procedures for handling customer complaints, which are handled by dedicate personnel and reviewed by senior executives. 	1. The Sustainability Report is scheduled to be announced upon the approval of the Board of Directors by August 31, 2025.
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?	V		For the time being, suppliers are required to sign "Ethical Management Best Practice Principles" and "Letter of Undertaking for Ethical Management."	No material deviation.

Promotion item	Implementation			Variance from “the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
V. Has the Company referred to international reporting standards or guidelines in its preparation of sustainability reports and other reports which disclose the Company's non-financial information? Have the abovementioned reports obtained the verification or assurance opinions from third-party certification organizations?	V		<p>1. The Company's sustainability report is prepared pursuant to the GRI Standards 2021 edition. The international preparation standards or guidelines, as well as the non-financial information prepared and disclosed are specified.</p> <p>2. The Company's report has not been verified by any assurance or guarantee verification agency.</p>	<p>The 2024 Sustainability Report will be announced by August 31, 2025, upon the approval of the Board of Directors.</p> <p>A third-party certification unit’s assurance or guarantee shall be obtained within the time limit prescribed by the competent authority in the future.</p>
VI. If the Company enacts its own Principles for Code of Practice for Sustainable Development according to the “Code of Practice under the Best Practice Principles for Sustainable Development of TWSE/TPEX Listed Companies,” please describe the difference between actual operations and enactment: The Company has established the “Operational Procedures for Sustainability Reports and Verification,” which are not materially deviated from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”				
VII. Other important information to help understand the operation of sustainable development implementation: The Company will release the “sustainability report” in 2025, as required.				

(VI) Implementation of Ethical Corporate Management and Differences with Ethical Corporate Management Best Practice Principles for for TWSE/TPEX Listed Companies and reasons

Assessment criteria	Implementation			Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Summary	
I. Setting ethical management policies and programs				
(I) Does the company establish ethical management policies approved by the board and have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures and the commitment regarding the implementation of such policy from the board and the executive management team?	Yes		The Company specifies the ethical management policy in the internal regulations and external documents, and the Board of directors and management actively implement accordingly. For example, the “Procedures for Ethical Management and Guidelines for Conduct” and the “Code of Ethical Conduct” are established and approved by the Board of directors, and implemented thoroughly in the internal management and external commercial activities, such as indicated in the contracts, or the suppliers are required to furnish the Ethical Commitment Declarations.	No material deviation.
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	Yes		Pursuant to the “Procedures for Ethical Management and Guidelines for Conduct”, the “Enforcement Rules of Ethical Corporate Management,” the “Code of Ethical Conducts,” and the “Procedures of Whistle-Blowing and Punishment,” to regulate the relevant operating procedures, such as the handling of unethical conducts by the Company’s personnel and the handling of unethical conducts by others to the Company, for establishing the evaluation of ethical management before the establishment of a business relationship and appropriate review procedures, and implemented accordingly.	No material deviation.
(III) Has the Company defined operating procedures, conduct guidelines, disciplinary penalties and grievance process in the program preventing unethical conduct and put them in practice, and regularly reviewed and amended the program?	Yes		Pursuant to the “Procedures for Ethical Management and Guidelines for Conduct”, the “Enforcement Rules of Ethical Corporate Management,” the “Code of Ethical Conducts,” and the “Procedures of Whistle-Blowing and Punishment,” to prevent business activities with a higher risk of unethics within the business scope and implement accordingly.	No material deviation.
II. Implementation of ethical management				

Assessment criteria	Implementation			Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Summary	
(I) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	Yes		When the Company signs a contract with others, it should fully understand the other party's ethical management status, and incorporate compliance with ethical management into the contract terms, and sign an ethical commitment declaration.	No material deviation.
(II) Has the Company established a specialized unit under the board responsible for the promotion of corporate ethics management, which regularly (at least once a year) reports policies on ethical operations, programs on prevention of unethical conduct and the status of supervision to the board?	Yes		The Company has assigned the President’s Office as the dedicated unit to promote the ethical management, and it reports to the Board of directors from time to time. The promotion unit reported the corporate ethical management implementation of 2024 to the Board meeting on March 10, 2025 (refer to the attachment).	No material deviation.
(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	Yes		Pursuant to the “Procedures for Ethical Management and Guidelines for Conduct”, the “Enforcement Rules of Ethical Corporate Management,” the “Code of Ethical Conducts,” and the “Procedures of Whistle-Blowing and Punishment”, the policy preventing conflicts of interest is establish and implemented accordingly.	No material deviation.
(IV) Has the Company established an effective accounting and internal control system to put ethical operations management into practice and arranged for the internal audit unit to formulate audit plans based on the risk assessment of unethical conduct and audit the compliance to prevent unethical conduct, or commissioned independent auditors to conduct the audit?	Yes		Pursuant to the “Procedures for Ethical Management and Guidelines for Conduct”, the “Enforcement Rules of Ethical Corporate Management,” the “Code of Ethical Conducts,” and the “Procedures of Whistle-Blowing and Punishment,” are established, to establish the internal control system effectively preventing unethical conducts, and the internal auditors render necessary audits.	No material deviation.
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	Yes		Other than promoting in meetings, it will be included in the training courses from time to time.	No material deviation.
III. Operation of the Company’s whistle-blowing system				
(I) Does the Company prepare the specific whistle-blowing and award & punishment system, establish the convenient whistle-blowing channel and	Yes		The Company has the “Code of Ethical Conducts” and the “Procedures of Whistle-Blowing and Punishment.” The Company's website has a complaint-filing channel	No material deviation.

Assessment criteria	Implementation			Difference and Reason between Ethical Management of the Company and the “Ethical Management Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Summary	
designate a person to deal with the accused?			for stakeholders and a toll-free line, and the President's Office is responsible for handling related affairs pursuant to the procedures and regulations.	
(II) Does the Company establish standard operating procedures for investigating the complaints received, follow-up measures to be adopted and the related confidentiality measures after investigation?	Yes		The Company has the “Code of Ethical Conducts” and the “Procedures of Whistle-Blowing and Punishment.” The Company has established relevant investigation and handling measures in the regulations and operating procedures, and the confidentiality mechanism for accepting reports.	No material deviation.
(III) Does the Company take measures for protecting the whistle-blower from being punished improperly?	Yes		The Company has the “Code of Ethical Conducts” and the “Procedures of Whistle-Blowing and Punishment.” The Company specifies in the operational procedures that the Company will make the best efforts to protect the safety of the informant and protect them from retaliation and improper handling due to the whistle-blowing.	No material deviation.
IV. Strengthening of information disclosure				
(I) Does the company disclose the contents of its Ethical Corporate Management Best Practice Principles and the effectiveness on its website and MOPS?	Yes		The Company has disclosed the content and information related to the “Ethical Corporate Management Best Practice Principles” and the “Code of Ethical Conducts” on the Company’s website and MOPS.	No material deviation.
V. If the company has its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the difference between them: The Company implements pursuant to laws and regulations; no material deviation.				
VI. Other important information that helps to understand the company's ethical management operation: (e.g. the review and amendment to the established Ethical Corporate Management Best Practice Principles) 1. The Company amends the “Ethical Corporate Management Best Practice Principles” and the “Code of Ethical Conducts” timely based on the requirements of competent authorities and actual needs of the Company, while disclosing on the Company’s website and MOPS for compliance and operation. 2. In the Company’s “Regulations Governing Procedure for Board of Directors Meetings,” the system of recusal due to conflict of interest for directors is specified. A director who has a personal (or the institution he/she represents) interest in the matter under discussion at a meeting, which may impair the interest of the company, shall not discuss and vote nor exercise the voting right on behalf of another director.				

(VII) Disclosure of Inquiry Ways in Case of any Formulation of Corporate Governance Rules and Relevant Regulations by the Company:

The “Corporate Governance Best-Practice Principles,” the “Code of Ethical Conducts,” the “Procedures of Whistle-Blowing and Punishment,” and the “Procedures of Handling Internal Material Information” have been established; please refer to the Company’s website at <http://www.tonlin.com.tw>.

- (VIII) Other important information that is sufficient to enhance the understanding of the operation of corporate governance
Please refer to the Company’s website at <http://www.tonlin.com.tw>.

Attachment:

Implementation of the Company's ethical corporate management principles

The implementation of the Company's ethical management best practice principles during January to December 2024 is described below:

Item No.	Implementation	Description	Times
1	The confidentiality and ethical terms are included in the Company's contracts.	During the period, the Company's contracts with merchandisers and other important contracts all have stipulated non-disclosure agreements and confidentiality clauses.	116 cases
2	Education and training sessions	Promoted to the new employee on the onboard day.	21 persons; one hour per time
3	Promotion of the ethical management principles, regulations, and cases	I. Promoted in the relevant internal meetings. II. Posted on the company's website, please refer to colleagues.	1 2024/11/12
4	Whistleblowing and reporting.	No whistleblowing occurred during the period.	0 cases

Note: In order to improve the management of ethical management, the President's Office is in charge of prescribing the ethical management policies, and prevention programs, and supervising the implementation, to report to the board of directors periodically.

(IX) Internal control systems implementation shall disclose the following:

1. Statement of Internal Control System

Tonlin Department Store Co., Ltd.

Statement of Internal Control System

Representing that both design and implementation are effective

(The statement is applicable when all laws and regulations are complied with)

Date: March 10, 2025

The Company states the following with respect to its 2024 internal control system based on the results of a self-assessment:

- I. The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Board of Directors and Managers of the Company. As such, the Company has established the aforementioned system. Its objectives are to provide reasonable assurance for the effectiveness and efficiency of its operations (including profitability, performance, and the guarantee of assets safety, etc.), reliable, timely and transparent reporting, and conformity to applicable rules, regulations, and laws.
- II. The internal control system has its inherent limitations. Regardless of how exhaustive the design is, an effective internal control system can only provide reasonable assurance for the achievement of the aforementioned three objectives. Further, due to changes in the environment or circumstances, the effectiveness of the internal control system may vary accordingly. Nevertheless, the Company's internal control system has set up a self-supervision mechanism. Once a deficiency has been identified, the Company will take the remedial actions immediately.
- III. In accordance with the determining criteria for the effectiveness of the internal control system prescribed in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereafter the "Regulations"), the Company evaluated the effectiveness of the design and execution for its internal control system. The determining criteria of the internal control system prescribed in the "Regulations" are based on the process of management control, dividing the internal control system into five composite factors: 1. control of the environment, 2. risk evaluation, 3. control of operations, 4. information and communication, and 5. supervision. The composition of each element also includes several items. Please refer to the "Regulations" for the aforesaid items.
- IV. The Company has adopted the aforementioned determining criteria of the internal control system to evaluate the effectiveness of design and execution for its own internal control system.
- V. Based on the evaluation result of the preceding paragraph, the Company believes that its internal control system (including the supervision and management of its subsidiaries) as of December 31, 2024, including understanding the achievement for the objectives of effectiveness and efficiency of its operations, reliability, timeliness and transparency of its reporting and compliance with the applicable law and regulations, was effective in design and execution, and can be reasonably assured of the achievement of the aforementioned objectives.
- VI. This statement will serve as the main content of the Company's annual report and prospectus and will be made available to the public. If the aforesaid public content has any illegal events including falseness or concealment, it shall be liable to the legal liabilities stipulated in Article 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been passed by the Board of Directors Meeting of the Company held on March 10, 2025, where none of the ten attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Tonlin Department Store Co., Ltd.

Chairman: Su Chien-I

Signature/Seal

President: Weng Hua-Li

Signature/Seal

2. If any CPA is entrusted to perform a special audit on the internal control audit report, such CPA's audit report shall be disclosed: none

(X) For the most recent year until the publication date of the annual report, penalties imposed against the Company and its staff, or penalties imposed by the company against its staff for violations of internal control or regulations. State any corrective actions are taken in the most recent years up to the date of the annual report: None.

(XI) For the most recent year until the publication date of the annual report, major resolutions made in Shareholders' and Board meetings:

Shareholders' meeting

Date	Matter	Topic	Resolution	Implementation
2024.06.24	Report	Report on the 2023 business overview.	Approved	
	Report	2023 Audit Committee's Review Report	Approved	
	Report	Report on the Distribution of Cash from Additional Paid-in Capital	Approved	Already paid on August 1, 2024.
	Report	Report on allocation of 2023 employee remuneration and director remuneration.	Approved	Disbursement was made on June 5, 2024.
	Report	Report on Director Remuneration for 2023.	Approved	
	Report	Report on the Simplified Merger Completion between the Company and Its Subsidiaries.	Approved	
	Ratified	2023 financial statements.	Approved	Implemented as the resolution
	Ratified	Proposal for 2023 appropriation of make-up for profit or loss.	Approved	Implemented as the resolution
	Election	Re-election of the Company's directors.	Approved	
	Discussed	on the removal of restrictions on competing business involvement for new directors and representatives.	Approved	
	Discussed	Proposal of amendments to the Company's "Operational Procedures of the Acquisition and Disposal of Assets"	Approved	Implemented as the resolution

Board of directors

Date	Matter	Topic	Resolution	Implementation
2024.1.25 16th Committee/15th	Report	Report on the GHG inventory and the scheduling	Approved for reference	Implemented as the resolution
	Discussed	The Company's 2024 business plan	Approved	Implemented as the resolution
	Discussed	Proposal to re-establish the Company's "Accounting System."	Approved	Implemented as the resolution
	Discussed	Discussion on the Company's 2024 budget.	Approved	Implemented as the resolution
	Discussed	year-end bonus	Approved and the chairman was authorized to handle	Already paid on February 1, 2024.
	Discussed	Salary adjustment for the Chairman, President and Chief Financial Officer.	Approved	Implemented as the resolution
2024.3.7 16th Committee/16th	Report	the implementation of the Company's ethical corporate management principles.	Approved for reference	
	Report	Report on results of 2023 performance assessment on the Board of Directors and Board members.	Approved for reference	

Date	Matter	Topic	Resolution	Implementation
	Discussed	2023 assessment for effectiveness of the internal control system, and the Statement of Internal Control System.	Approved	
	Discussed	2023 parent company-only and consolidated financial statements	Approved by the Audit Committee and submitted for Board of Directors' discussion	Announced and reported on March 15, 2024.
	Discussed	The Company's 2023 business report.	Approved by the Audit Committee and submitted for Board of Directors' discussion	Submitted to the shareholders' meeting for discussion on June 24, 2024.
	Discussed	The Company's 2023 profit and loss appropriation proposal.	Approved by the Audit Committee and submitted for Board of Directors' discussion	Submitted to the shareholders' meeting for discussion on June 24, 2024.
	Discussed	Proposal for allocation of 2023 employee remuneration and director remuneration.	Approved to distribute NT\$240,000 for the employees' remuneration and NT\$0 as directors' remunerations	Reported to the shareholders' meeting on June 24, 2024.
	Discussed	The Company's distribution of cash from capital surplus.	Approved by the Audit Committee and submitted for Board of Directors' discussion	Reported to the shareholders' meeting on June 24, 2024.
	Discussed	to determine the ex-dividend base date and related affairs	Approved	The Board of Directors adjusted the content of the original resolution on April 1, 2024, and authorized the Chairman to set it separately.
	Discussed	the re-election of the Company's directors.	Full re-election for ten directors, including three independent directors	Full re-election of the Board of Directors on June 24, 2024.
	Discussed	Nominate and resolve the list of director (including independent director) candidates	Approved	The list of director candidates is submitted to the shareholders' meeting on June 24, 2024 for election.
	Discussed	on the removal of restrictions on competing business involvement for new directors and representatives.	Approved	Submitted to the shareholders' meeting for discussion on June 24, 2024.
	Discussed	Proposal of affairs related to the convention of 2024	Approved to	Implemented as the

Date	Matter	Topic	Resolution	Implementation
		AGM.	convene the 2024 AGM at No. 61, Zhongzheng Rd., Taoyuan District, Taoyuan City at 9:00 am, June 24, 2024.	resolution Proposal acceptance period: April 16, 2024 to April 26, 2024.
	Discussed	Assessment of the independence and suitability of the appointed CPAs.	Approved by the Audit Committee and submitted to Board of Directors; and approved by Board of Directors	Assessment is made regularly by referring to the Audit Quality Indicators (AQIs).
	Discussed	The Company's 2024 audit fees to CPAs	Approved	Implemented as the resolution
	Discussed	Acquisition and disposal of land in Wenzizhen.	Approved	Implemented as the resolution
2024.4.1 16th Committee/17th	Discussed	Adjustment of the dates related to payment of cash from capital surplus.	Approved	Implemented as the resolution
	Discussed	Capital increase in the subsidiary, De Hong Development	Approved	Implemented as the resolution
	Discussed	Sale of the land in Wenzizhen to the related party.	Approved	Implemented as the resolution
2024.5.7 16th Committee/18th	Report	The report on the Company's evaluation results of the 10th Corporate Governance Evaluation (2023).	Approved for reference	
	Report	Report on the Company and the subsidiaries' GHG inventory and the scheduling	Approved for reference	
	Report	Regarding the sale of land to related parties, other landlords exercise the priority right to purchase first and then give up.	Approved for reference	
	Discussed	The Company's financial statements for Q1 2024.	Approved	Announced and reported on May 13, 2024.
	Discussed	Proposal for allocation of 2023 employee remuneration to managerial officers and directors'/supervisors' remuneration.	Approved	Implemented as the resolution
	Discussed	Updated the Nominate and resolve the list of director (including independent director) candidates	Approved	The motion has been included in the election of the shareholders' meeting.
	Discussed	Update on the removal of restrictions on competing business involvement for new directors and representatives.	Approved	The motion has been included in the election of the shareholders' meeting.
	Discussed	Proposal of amendments to the Company's "Operational Procedures of the Acquisition and Disposal of Assets"	Approved	The report has been included in the annual general meeting.
	Discussed	Proposal for the Company's 2024 annual general meeting.	Approved	Announced on May 7, 2024.
	Discussed	Amendments to the Company's "Rules of Procedure for Board of Directors Meetings."	Approved	Implemented as the resolution
	Discussed	Proposal for the purchase of land in Wenzai Zun.	Approved	Implemented as the

Date	Matter	Topic	Resolution	Implementation
				resolution
	Discussed	Amendments to the Company's "Audit Committee Charter."	Approved	Implemented as the resolution
	Discussed	Proposal to invest in Anbogen Therapeutics, Inc.	Approved by the Board of Directors, and authorized the Chairperson to handle the matter within the limit of NT\$12 million.	Implemented as the resolution
2024.5.13 16th Committee/19th	Discussed	Proposal for the purchase of land in Wenzai Zun.	Approved	Implemented as the resolution
2024.6.11 16th Committee/20th	Report	The implementation status of the Company's preparation of the Sustainability Report.	Approved for reference	
	Discussed	Proposal to appoint the sales manager for Taoyuan Branch.	Approved	Implemented as the resolution
	Discussed	Proposal for the purchase of land in Wenzai Zun.	Approved	Implemented as the resolution
2024.6.24 17th Committee/1st	Discussed	Proposal to elect the new chairman.	Approved the election of Su Chien-I as the Chairman	Implemented as the resolution
	Discussed	Intention of appointing the members of the Remuneration Committee	Approved	Implemented as the resolution
2024.7.23 17th Committee/2nd	Discussed	Proposal for the purchase of land in Wenzai Zun.	Approved	Implemented as the resolution
2024.8.8 17th Committee/3rd	Report	the liability insurance bought for the directors and key staffs.	Approved for reference	
	Report	Report on the GHG inventory and the scheduling	Approved for reference	
	Discussed	The Company's financial statements for Q2 2024.	Approved	Announced and reported on August 12, 2024.
	Discussed	Acquisition and disposal of land in Wenzizhen.	Approved	To be discussed later.
2024.8.19 17th Committee/4th	Discussed	Capital increase in the subsidiary, De Hong Development	Approved	The capital increase was completed on August 30, 2024.
	Discussed	Acquisition of Wenzai Zun land by the subsidiary from a related party.	Approved	The capital increase was completed on September 6, 2024.
2024.10.7 17th Committee/5th	Discussed	Capital increase in the subsidiary, De Hong Development	Approved	The capital increase was completed on October 18, 2024.
	Discussed	Amendment to the Company's "Sustainable Development Best Practice Principles."	Approved	Implemented as the resolution
2024.10.14 17th Committee/6th	Discussed	Sale of the land in Wenzizhen to the related party.	Approved	The contract was signed on October 18, 2024.
2024.10.21 17th	Discussed	Acquisition and disposal of land in Wenzizhen.	Approved	The contract was signed on October 22, 2024.

Date	Matter	Topic	Resolution	Implementation
Committee/7th				
2024.10.29 17th Committee/8th	Discussed	Capital increase in the subsidiary, De Hong Development	Approved	The contract was signed on November 8, 2024.
2024.11.13 17th Committee/9th	Report	Report on the Company and the subsidiaries' GHG inventory and the scheduling	Approved for reference	
	Report	Invested in Minson Integration, Inc.	Approved for reference	
	Report	Acquisition of land in Wenzai Chen	Approved for reference	
	Discussed	The Company's financial statements for Q3 2024.	Approved	Announced and reported on November 14, 2024.
	Discussed	The Company's 2025 annual audit plan	Approved	Implemented as the resolution
	Discussed	Formulation of the "Internal Control System for Sustainable Information Management"	Approved	Implemented as the resolution
	Discussed	Formulation of the Company's "Sustainable Information Management Procedure".	Approved	Implemented as the resolution
	Discussed	Establishing the "Organizational Rules of the Corporate Sustainability Committee" and the appointment of the committee members.	Approved	Implemented as the resolution
	Discussed	the revision of the Company's organizational chart.	Approved	Implemented as the resolution
	Discussed	Taoyuan Store replacement of POS machine.	Approved	Implemented as the resolution
2025.01.06 17th Committee/10th	Report	Invested in KDH ADVANCED RESEACH PTY LTD.	Approved for reference	
	Discussed	The Company's 2025 business plan	Approved	Implemented as the resolution
	Discussed	Discussion on the Company's 2025 budget plan.	Approved	Implemented as the resolution
	Discussed	Proposal to adjust salaries.	Approved	Implemented as the resolution
	Discussed	year-end bonus	Approved and the chairman was authorized to handle	Disbursed on January 17, 2025.
2025.03.10 17th Committee/11th	Report	the implementation of the Company's ethical corporate management principles.	Approved for reference	
	Report	2024 performance evaluation report of the Board of Directors, Audit Committee, Remuneration Committee and its members.	Approved for reference	
	Report	Invested in Anbogen Therapeutics, Inc.	Approved for reference	
	Discussed	2024 assessment for effectiveness of the internal control system, and the Statement of Internal Control System.	Approved	
	Discussed	2024 parent company-only and consolidated financial statements	Approved by the Audit Committee and submitted for Board of Directors'	Announced and reported on March 14, 2025.

Date	Matter	Topic	Resolution	Implementation
			discussion	
	Discussed	The Company's 2024 business report.	Approved by the Audit Committee and submitted for Board of Directors' discussion	Submitted to the shareholders' meeting for discussion on June 26, 2025.
	Discussed	Proposal of 2024 earnings distribution	Approved by the Audit Committee and submitted for Board of Directors' discussion	Submitted to the shareholders' meeting for discussion on June 26, 2025.
	Discussed	2024 distribution of employees' and directors' remunerations suggested by the Remuneration Committee	Approved to distribute NT\$280,000 for the employees' remuneration and NT\$0 as directors' remunerations	Reported to the shareholders' meeting on June 26, 2025.
	Discussed	Amendment to the "Cybersecurity Security Management (including inspection) Audit Operating Procedure"	Approved	Implemented as the resolution
	Discussed	Proposal to amend the Company's Articles of Incorporation.	Approved	Submitted to the shareholders' meeting for discussion on June 26, 2025.
	Discussed	to determine the ex-dividend base date and related affairs	Approved	Implemented as the resolution
	Discussed	Proposal of affairs related to the convention of 2025 AGM.	Approved to convene the 2025 AGM at No. 61, Zhongzheng Rd., Taoyuan District, Taoyuan City at 9:00 am, June 26, 2025.	Implemented as the resolution The proposal acceptance period is April 18, 2025 to April 28, 2025.
	Discussed	Assessment of the independence and suitability of the appointed CPAs.	Approved by the Audit Committee and submitted to Board of Directors; and approved by Board of Directors	Assessment is made regularly by referring to the Audit Quality Indicators (AQIs)
	Discussed	The Company's 2025 audit fees to CPAs	Approved	Implemented as the resolution
	Discussed	Proposal of attesting CPA replacement by Deloitte Touche	Approved	Implemented as the resolution

- (XII) Any director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof:
During the recent year and up to the publication date of annual reports, for all the resolutions adopted in the meetings convened by the Board of Directors, have not been objected by the independent directors, nor any reserved opinions of them.
- (XIII) In most recent year and as of the end of this annual report is printed out, the resignation summary of the company's chairman, president, accounting, financial, internal audit, management officers and R&D executives: none.

IV. Public Fees of CPAs

Unit: NT\$ thousand

Name of the accounting firm	Name of CPAs	Duration of Audit	Audit fee	Non-audit fee (Note)	Total	Remarks
Deloitte & Touche Taiwan	Chiu, Cheng-Chung	Q1 to Q2, 2024	2,355	862	3,217	To accommodated the accounting firm’s internal adjustment.
	Huang, Hsiu-Chun					
	Huang, Hsiu-Chun	Q3 to Q4, 2024				
	Chiu, Cheng-Chung					

Note: Non-audit fees include the following: NT\$260 thousand for tax certification, NT\$50 thousand for review of investment property appraisal reports, NT\$30 thousand for the review of non-supervisory personnel salary declaration forms, NT\$440 thousand for audit-related fees of the merged subsidiary for 2023, NT\$12 thousand for director re-election services, and NT\$70 thousand for reimbursed and estimated expenses.

- (1) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: not applicable.
- (2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: not applicable.

V. Information on replacement of certified public accountant: Not applicable, as no such circumstance took place.

(I) Regarding the former CPAs

Date of Replacement	2025.03.10				
Reason for replacement	Internal rotation of the accounting firm				
Specifying whether it was the CPA that voluntarily ended the engagement or declined further engagement, or the company that terminated or discontinued the engagement.	Appointee		CPA		The Company
	Status				
	Voluntarily ended the engagement		-	-	-
	Discontinue the engagement		-		-
Have the CPA issued an audit report expressing other than an unqualified opinion during the 2 most recent years, furnish the opinion and reason	None				
Disagreement with the company	Yes	-	Accounting principle or practice		
		-	Disclosure of financial statements		
		-	Audit scope or steps		
		-	Others		
	None	None			
	Explanation				
Other disclosure (Circumstances to be disclosed as specified in Article 10, paragraph 6, subparagraph 1-4 to 1-7 of the Regulations)	None				

(II) Regarding the successor CPAs

Name of the accounting firm	Deloitte Touche
Name of CPAs	Chiu, Cheng-Chung, Jeff Chen
Date of appointment	2025.03.10
Prior to the formal engagement, the Company consulted the newly engaged CPAs regarding the accounting treatment of or application of accounting principles to a specified transaction, or the type of audit opinion that might be rendered on the company's financial report	None
Written views from the successor CPAs regarding the matters on which the company did not agree with the former CPAs	None

(III) The reply from the former CPAs, making pursuant to Article 10, paragraph 6, subparagraph 1, and 2-3 of the Regulations: not applicable

VI. The company's Chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: 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 printing of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report:

(I) Stake changes of director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent:

Job title	Name	2024		Current year up to April 28	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Su Chien-I	(200,000)	0	(120,000)	0
Directors	Su Chien-Hsing (Inaugurated on June 24, 2024)	0	0	0	0
Directors	UN INVESTMENT CO., LTD. Representative: Su, Yong-Chun (Dismissed on June 24, 2024)	(198,000)	(1,140,000)	0	0
Directors	Jih-I Investment Co., Ltd. Representative: Huang Chung-Sheng	0	0	0	0
Directors	JIN DUO LIH ENTERPRISES PTY. LTD. Representatives: Weng Chun-Chih Weng Ju-I Weng Hua-Ting Weng Hua-Li	0	450,000	0	1,800,000
Directors	Su, Yong-Chun (Dismissed on June 24, 2024)	100,000	0	0	0
Independent Director	Lu Yu-Ting	0	0	0	0
Independent Director	Zhan Sheng-Hua (Discharged on June 24, 2024)	0	0	0	0
Independent Director	Yang Wen-Ching	0	0	0	0
Independent Director	Zhan Wei-Ren (assuming office on June 24, 2024)	0	0	0	0
President	Weng, Hua-Li	299,000	0	0	0
Chief Finance Officer	Weng, Ju-I	1,316,000	0	0	1,300,000
Vice President	Chen Wen-Long	0	0	0	0
Managerial Officer	Kuo Mei-Chun	0	0	0	0
Managerial Officer	Lin Wan-Yi	0	0	0	0
Major shareholder	SHUEN SHYANG CO., LTD.	0	300,000	0	1,300,000
Major shareholder	Weng Chun-Chih	(2,097,000)	0	104,000	0

(II) Stake changes of director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent, and the counterparty is a related party:

Name	Reason of transfer	Date of Transaction	Transaction counterpart	Relationship of the counterparty with the Company, director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent	Shares	Transaction price (NT\$)
Su Chien-I	Gift	113.01.10	Su, Andy	Father and son	100,000	27.6
Su Chien-I	Gift	113.02.29	Su, Andy	Father and son	100,000	25.35
Weng Chun-Chih	Gift	113.06.25	Weng, Jing-Ning	Grandparent and grandchild	50,000	25.35
Weng Chun-Chih	Gift	113.06.25	Weng, Yi-Sheng	Grandparent and grandchild	680,000	25.35
Weng Ju-I	Gifted	113.06.25	Weng Chun-Chih	Father and daughter	300,000	25.35
Weng Chun-Chih	Gift	113.06.25	Weng Ju-I	Father and daughter	300,000	25.35
Weng Chun-Chih	Gift	113.06.25	Weng, Kai-Ning	Grandparent and grandchild	50,000	25.35
Weng, Ju-I	Gifted	113.06.25	Weng-Kuo, Jin-Ying	Mother and daughter	300,000	25.35
Su Chien-I	Gift	114.02.12	Su, Andy	Father and son	120,000	22.00

(III) Stake pledge of director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent, and the counterparty is a related party:
No counterparty is a related party

VIII. Information on top ten shareholders and their mutual relationship as spouse or blood relative within the second degree:

Name	Shares held by one's own		Shares held by spouse and child of minor age		Total shares held under others' names		Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another		Remark
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Name	Relationship	
SHUEN SHYANG CO., LTD.	35,913,664	20.47%	0	—	0	—	JIN DUO LIH ENTERPRISE S PTY. LTD.;	Share the same chairman	-
Representative: Weng Ju-I	7,316,309	4.17%	0	—	718,000	0.41%	Weng Chun-Chih Weng Hua-Li	Father and daughter Sister and brother	-
JIN DUO LIH ENTERPRISES PTY. LTD.	22,936,442	13.08%	0	—	0	—	SHUEN SHYANG	Share the same chairman	-
Representative: Weng Ju-I	7,316,309	4.17%	0	—	718,000	0.41%	Weng Chun-Chih Weng Hua-Li	Father and daughter Sister and brother	-
Weng Chun-Chih	18,494,920	10.54%	1,572,991	0.90%	0	—	Weng Ju-I Weng Hua-Li	Father and daughter Father and son	-
FLY SUN DEVELOPMENT CO., LTD.	12,579,333	7.17%	0	—	0	—	-	-	-
Representative: Huang-Jiang Shu	426	0.00%	0	—	0	—	Huang Chung-Sheng	Mother and son	-
Weng Ju-I	7,316,309	4.17%	0	—	718,000	0.41%	Weng Chun-Chih Weng Hua-Li	Father and daughter Sister and brother	-
Huang Chung-Sheng	6,369,544	3.63%	21,780	0.01%	0	—	Huang-Jiang Shu	Mother and son	-
Weng Hua-Li	6,364,999	3.63%	3,267,000	1.86%	1,657,000	0.94%	Weng Chun-Chih Weng Ju-I	Father and son Sister and brother	-
CHUNG HSIAO ENTERPRISE CO., LTD.	6,043,462	3.45%	0	—	0	—	-	-	-
Representative: Su Chien-I	5,161,075	2.94%	0	—	0	—	-	-	-
Su Chien-I	5,161,075	2.94%	0	—	0	—	-	-	-
JIH-I INVESTMENT CO., LTD.	5,002,000	2.85%	0	—	0	—	-	-	-
Representative: Huang Chung-Sheng	6,369,544	3.63%	21,780	0.01%	0	—	Huang-Jiang Shu	Mother and son	-

IX. Number of shares and consolidate percentage of the company, directors, supervisor, managers and the businesses that are controlled by the company directly or indirectly on the invested company

December 31, 2024

Reinvestments (Note)	Invested by the Company		Held by Directors, Supervisors, managerial officers, and directly/indirectly controlled entities		Aggregated investment	
	Shares	Aggregated investment%	Shares	Aggregated investment%	Shares	Aggregated investment%
De Hong Development Co., Ltd.	1,200,000,000	100	0	0	1,200,000,000	100
Chung Hsiao Enterprise Co., Ltd.	5,076,000	26.89	6,324,800	33.50	11,400,800	60.39

Note: Investments by the equity method.

Three. Capital Overview

I. Capital and shares

(I) Source of share capital

1. Type of shares

April 10, 2025 Unit: Share

Type of shares	Authorized capital			Remarks
	Outstanding shares (listed)	Unissued shares	Total (shares)	
Ordinary share	175,403,000	124,597,000	300,000,000	Listed shares

2. Formation of share capital

April 10, 2025

Year/Month	Issuing price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand)	Number of shares (thousand shares)	Amount (NT\$ thousand)	Source of share capital (NT\$ thousand)	Property other than cash provided as capital contributions	Approved date and reference No. for capital increase/reduction
1982.08	10	7,000	70,000	2,240	22,400	Share capital when established-cash	None	
1983.09	10	8,200	82,000	8,200	82,000	Capital increase in cash 59,600	"	
1984.08	10	12,000	120,000	12,000	120,000	Capital increase in cash 38,000	"	
1992.03	10	19,800	198,000	19,800	198,000	Capital reserve transferred to capital increase 78,000	"	
1992.12	10	22,770	227,700	22,770	227,700	Capital increase by 19,602 through capitalization of capital reserve, and 10,098 through capitalization of earnings	"	Approved by Tai-Cai-Zheng (1) (1992) No. 02345 letter dated September 14, 1992
1993.12	10	30,000	300,000	30,000	300,000	Capital increase by 22,600 through capitalization of capital reserve, and 49,700 through capitalization of earnings	"	Approved by Tai-Cai-Zheng (1) (1993) No. 40584 letter dated October 22, 1993
1994.10	10 26	60,000	600,000	60,000	600,000	Capitalization of capital reserve 265,000 cash capital increase 35,000	"	Approved by Tai-Cai-Zheng(1) (1994) No. 32680 letter dated August 1, 1994
1995.07	10	72,000	720,000	72,000	720,000	Capital reserve transferred to capital increase 120,000	"	Approved by Tai-Cai-Zheng (1) (1995) No. 32816 letter dated June 5, 1995
1996.06	10	90,000	900,000	90,000	900,000	Capital increase by 122,400 through capitalization of capital reserve, and 57,600 through capitalization of earnings	"	Approved by Tai-Cai-Zheng (1) (1996) No. 33464 letter dated May 25, 1996
1997.09	10 39	160,000	1,600,000	138,000	1,380,000	Capitalization of capital reserve 153,000 earnings and cash capitalization 162,000 earnings from capitalization of capital reserve 165,000 earnings	"	Approved by Tai-Cai-Zheng (1) (1997) No. 45548 letter dated June 21, 1997
1998.08	10	195,000	1,950,000	172,500	1,725,000	Capital increase by 162,495 through capitalization of capital reserve, and 182,505 through capitalization of earnings	"	Approved by Tai-Cai-Zheng (1) (1998) No. 55409 letter dated June 25, 1998
1999.08	10	195,000	1,950,000	189,750	1,897,500	Capital increase by 112,125 through capitalization of capital reserve, and 60,375 through capitalization of earnings	"	Approved by Tai-Cai-Zheng (1) (1999) No. 57198 letter dated June 22, 1999
2000.08	10	208,725	2,087,250	208,725	2,087,250	Capital increase by 151,800 through capitalization of capital reserve, and 37,950 through capitalization of earnings	"	Approved by Tai-Cai-Zheng (1) (2000) No. 55264 letter dated June 27, 2000
2019.09	10	300,000	3,000,000	208,725	2,087,250	Total capital increased by 912,750	"	Approval letter under Jing-Shou-Shang-Zi No. 10801111070 dated September 2, 2019
2023.12	10	300,000	3,000,000	175,403	1,754,030	Capital reduction out of treasury stock by 333,220	-	Approval letter under Jing-Shou-Shang-Zi No. 11230228450 dated December 12, 2023

(II) List of major shareholders

April 28, 2025

Shares Name of major shareholders	No. of shares held (shares)	Shareholding percentage (%)
SHUNXIANG DEVELOPMENT Co., LTD.	35,913,664	20.48%
JIN DUO LIH ENTERPRISES PTY. LTD.	22,936,442	13.08%
Weng Chun-Chih	18,494,920	10.54%
FLYSUN DEVELOPMENT Co., LTD.	12,579,333	7.17%
Weng Ju-I	7,316,309	4.17%
Huang Chung-Sheng	6,369,544	3.63%
Weng Hua-Li	6,364,999	3.63%
CHUNG HSIAO ENTERPRISE CO., LTD.	6,043,462	3.45%
Su Chien-I	5,161,075	2.94%
JIH-I INVESTMENT CO., LTD.	5,002,000	2.85%

Note: List all shareholders with a stake of 5 percent or greater, or top 10 shareholders in shareholding percentage

(III) Dividend policy and implementation status:

1. Dividend policy

Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for statutory reserves and provision or reversal of special reserves as the laws may require. Any surpluses remaining will be added to unappropriated earnings accumulated from previous years, for which the board of directors will propose an earnings appropriation plan and seek resolution in a shareholder meeting before distribution.

Any cash distribution of dividend, profit, statutory reserve, or capital reserve, whether in whole or in part, must be resolved in a board meeting with more than two-thirds of the board present, voted in favor by more than half of attending directors, and reported in the upcoming shareholder meeting.

As a conventional department store, the Company experiences no major change in sales volume but foresees moderate growth. After taken into consideration its long-term development plans and goals of maximizing shareholders' interest, the Company has adopted a dividend policy that makes consistent payouts primarily in cash. The shareholders' dividends are not lower than 10% of the distributable earnings of the year; of which, cash dividends shall not account for less than 50% of the sum of cash dividends plus stock dividends. However, the Company may forgo dividend payment if distributable earnings amount to NT\$0.2 or less in a given year.

2. The proposed distribution of dividends in this AGM

2024 Statement of Earnings Distribution

Unit: NT\$

Beginning unappropriated earnings	\$ 0
Plus: Current net income	197,935,373
Actuarial gain/loss on defined benefit plan	1,597,830
Unappropriated earnings after adjustment	199,533,203
Less: provision for statutory reserves (10%)	(19,953,320)
Less: reversal of special reserves previously provided according to Article 41 of the Securities and Exchange Act	(8,856,724)
Undistributed Earnings Available for Distribution for the Current Period	170,723,159
Distributions	
Shareholders' dividends (NT\$0.95 cash per share)	166,632,850
Closing unappropriated earnings	\$ 4,090,309

Note: Appropriation of 2024 earnings, as shown above, has been resolved during the Board of Directors meeting held on March 10, 2025.

3. When material change to the dividend policy is expected: The Company expects no material change to the dividend policy

(IV) Impacts of Proposed Stock Dividends on the Company's Business Performance and Earnings per share (EPS)

Item			2024 (estimated)
Beginning paid-up capital (NT\$ thousand)			1,754,030
Distribution of shares and dividend for 2024 (Note 1)	Cash dividends per share (NT\$)		0.95
	Share dividend per share for the surplus transferred to capital increase		0
	Share dividend per share for the capital reserve transferred to capital increase		0
Change of operating performance	Operating profit		Not applicable (Note 2)
	Increase (decrease) percentage of operating profit from the previous year		
	Net income after tax		
	Increase (decrease) percentage of net income after tax from the previous year		
	Earnings per Share		
	Increase (decrease) percentage of EPS from the previous year		
	Average annual ROI (reciprocal of average annual P/E ratio)		
Pro forma EPS and P/E ratio	If all surplus transferred to capital increase distributed as cash dividends in full amount	Pro forma EPS (NT\$)	Not applicable (Note 3)
		Pro forma average annual ROI	
	If the capital reserve transferred to capital increase is not conducted	Pro forma EPS (NT\$)	
		Pro forma average annual ROI	
	If the capital reserve and surplus transferred to capital increase is not conducted, and distributed as cash dividends	Pro forma EPS (NT\$)	
		Pro forma average annual ROI	

Note 1: Approved by the board of directors on March 10, 2025, and reported to the shareholders' meeting.

Note 2: Not applicable, as pursuant to the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the Company is not required to disclose the financial forecast of 2025.

Note 3: No bonus share will be distributed this year, so not applicable.

(V) Remuneration to employees, directors:

1. Employees' and directors' remunerations policies as stated in the Articles of Incorporation:

The Articles of Incorporation specify that profits concluded from a financial year are subject to employee remuneration of 0.1%-4% and director remuneration of no more than 4%. However, profits must first be reserved to offset against cumulative losses (including adjustments to unappropriated earnings) if any. Employee remuneration, as mentioned in the preceding Paragraph, can be paid in cash or in shares. Payments may also be made to employees of subordinate companies that satisfy the eligibility criteria. The above director remuneration can only be paid in cash.

The Board of Directors of the Company approved the revision of the Articles of Incorporation on March 10, 2025. The above-mentioned 0.1%-4% of the employees' remuneration, of which no less than 20% is appropriated as the remuneration to the entry-level employees, shall be resolved in the shareholders' meeting on June 26, 2025.

2. The estimation basis of the remuneration for employees, and Directors for the current period, the computation basis for employees' remuneration distributed in shares, and accounting treatments for any discrepancies between the amounts estimated and the amounts disbursed:
The Company provides for employee remuneration at 0.1%-4%, and director remuneration at no more than 4%, of current year's pre-tax profit (before employee and director remuneration). The estimated employees' and directors' remunerations for 2024 were based on the Articles of Incorporation and the possible distributed amount in the past. If before the release date of the annual parent company-only financial statements, there is a significant change in the distribution amount approved by the Board of directors, the change will adjust the originally listed annual expenses. If the amount still changes after the release date of the annual parent company-only financial statements, such changes will be treated as the change in accounting estimates, and accounted the adjustment in the following year. If the Board of directors resolves to pay employee remuneration in shares, the number of shares is calculated by dividing the resolved amount by the closing price on the day before the Board of directors' resolution.
3. Remuneration distribution approved by the Board of Directors
 - a. Employees' and directors' remunerations paid in cash or shares. If any discrepancy from the recognized annual estimated amount, the difference, reasons, and treatment shall be disclosed
The Company originally estimated NT\$300 thousand for employee remuneration and NT\$0 for director remuneration in its 2024 books. However, according to the resolution passed by the Board of Directors on March 10, 2025, the amounts were revised to NT\$280 thousand for employee remuneration and NT\$0 for director remuneration. As the actual distribution differs from the amounts recognized in the annual parent-only financial statements, the difference will be adjusted in the 2025 income statement.
 - b. The amount of employees' remuneration distributed by shares and its proportion to the sum of parent company-only or individual financial statement net profit after-tax and total employee remuneration for the current period:
The employees' remuneration to be distributed for 2024 has been resolved to paid in cash fully, without distribution in shares.
4. Actual disbursement of employee bonus and remuneration to Directors for the preceding year (including employee stocks, cash disbursement and share prices). In circumstances where any differences between the actual distributed and recognized amount, the difference, reasons and handling of such matter shall be stated as follows:
The Company's Board of Directors resolved to distribute the 2023 employee remuneration, NT\$240 thousand, and director remuneration, NT\$0, on March 7, 2024, which were not different from those recognized in 2023 parent company only financial statements.

(VI) Repurchase of the Treasury Stock: none

II. Corporate bonds: none

III. Preference share: none

IV. Global depository receipts: none

V. Employee stock warrants: none

VI. Employee stock warrants: none

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: none

VIII. Status of implementation of capital allocation plans:

As of the publication date of the annual report, the Company has no incomplete capital allocation plan, or completed capital allocation plan without effect shown.

Four. Operational Overview

I. Description of the business

(I) Scope of business:

1. Major lines of business:

- (1) Trader, exporter and importer of various goods.
- (2) Operating restaurant business and production and sales of Chinese and Western dishes.
- (3) Exporter, importer, agency, distributor, bidder of the products mentioned in the preceding paragraph.
- (4) Leasing of related stalls.
- (5) The operation of supermarkets and parking lots.
- (6) Commissioning construction companies to build citizen residence and commercial buildings for leasing and sales.
- (7) General investment.

2. Weight of major business

Item	Amount (NT\$ thousand)	Percentage (%)
Department store segment - Taoyuan Branch	255,274	42.12
- Taipei Branch	231,187	38.15
Construction Segment	119,580	19.73
Total	606,041	100.00

3. Current services

- (1) Retailing as a department store.
- (2) Food and beverages.
- (3) Building leasing.
- (4) Construction and sales of real estates.
- (5) General investment.

4. New products development (service)

- (1) Due to the declining operating performance of the traditional department store counters, the Board of directors approved the proposal of refurbishing Taoyuan Branch on October 24, 2016. The Taoyuan Branch has started the trial operation on September 15, 2018, and officially opened on October 3, 2018. In addition to retaining some of the existing vendors with outperformance, the Company also introduced cinema, mid- and large-scale restaurants, sports and leisure, amusement park and Eslite Life for joint operation, to provide a nice shopping environment to customers.
- (2) Actively promote the construction and sales of real estates of the subsidiary, De Hong Development Co., Ltd.

(II) Industry overview

1. Department store segment

(1) Current and future industry prospects

Department stores have gradually grown from small stores to large-scale shopping malls. In recent years, the large shopping malls integrating catering, movie theaters, entertainment and fitness joined the competition. In response to the trend, leisure, travelling, apparel, and catering and entertainment facilities and movie theaters have been added by the Company to the branches to cope with the trend and increase business performance.

(2) Links between the upstream, midstream, and downstream segments of the industry supply chain

Upstream	Midstream	Downstream
The counter operators and self-operated product suppliers, such as: cosmetics, lingerie, apparel and other suppliers.	Department store services, such as: large department stores, large shopping malls, hypermarkets and retailing stores.	Consumers, such as: companies and individuals.

(3) Development trends and competition for the company's products

Due to the increasing large-scale shopping malls, the convenience of one-stop shopping is more attractive to customers for revisiting. The smaller business stores as in the past have been no longer favored by consumers, and multi-functional complex stores have gradually become the mainstream. It is obvious as the performances of the larger departments stores have grown steadily. Currently, large-scale lands suitable for development into a department store have become fewer and fewer, and the costs are high; the development difficulty is relatively high. To respond the changes of modern trends, and more and more competitors of emerging channels, such as hypermarket and specialty stores, the Board of directors approved the proposal of refurbishing Taoyuan Branch on October 24, 2016. The Taoyuan Branch has started the trial operation on September 15, 2018, and officially opened on October 3, 2018. In addition to retaining some of the existing vendors with outperformance, the Company also introduced cinema, mid- and large-scale restaurants, sports and leisure, amusement park and Eslite Life for joint operation.

2. Construction Segment

(1) Current and future industry prospects

Taiwan's construction industry has been rising in the past decade. Housing prices and land prices have reached new highs continuously. However, the government has been tightening the control over the real estates, coupled with the slowdown in the economic growth, the decline in population growth, and the increase in the rate of self-owned housing, in the short-term, the housing prices tend to fall as the future development of real estate.

(2) Links between the upstream, midstream, and downstream segments of the industry supply chain

Upstream	Midstream	Downstream
Construction companies and building materials suppliers, such as construction engineering companies and building materials companies.	Small and medium construction companies.	Companies and individuals.

(3) Development trends and competition for the company's products

Due to elevated land prices and scarcity of lands in urban prime areas, with the difficulty of integration in terms of urban renewal, land acquisition costs will increase in the future. As the clients make informed choice of products when information is getting more transparent, the prices of the builder's products will be more consistent to the current market conditions. Due to the decline in the size of families, the increasing housing prices, and the higher concentration of wealth comparing to the past, the products will tend to the development of luxury residences with large space, and core family residences or suites with smaller space. The builders will differentiate products based on market and products to maximize the profits.

(III) Overview of the company's technologies and its research and development

1. The keys of success for operating general retail industry are the location and the size of the store area. These factors have been determined at the time of establishment, so the operation mainly depends on the adjustment of the product structure and promotion activities to improve performance. Due to the above characteristics, the department store industry does not have as much investment as in technology and R&D like traditional industries, high-tech industries, or new-type service industries. The Company enhance the sales mainly by adjusting the product structure, strengthening customer service, making full use of the main customer's consumption information, with promotional activities along with festivals and seasons.
2. The laws and regulations of construction industry require relatively high earthquake-proof requirements, the increasing innovations in construction methods shorten the construction period, and building materials tend to be green and environmentally friendly. The Company will closely cooperate with architects based on market trends and product planning.

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

- Long-term business development plans:
- The refurbished Taoyuan branch started trial operation on September 15, 2018, and officially opened on October 3, 2018, transforming into a shopping mall combining the cinema, medium and large restaurants, sports and leisure, and Eslite Bookstore to provide customers with a good shopping environment.
 - With respect to leasing, the Company pays constant attention to changes in market rate, and either makes appropriate adjustments upon contract expiry or looks for suitable retail locations to accommodate high rent-paying tenants.
 - Recover funds from reinvested businesses like the venture capital companies, to reduce debt and strengthen financial structure.
 - Continue to buy lands for the joint-construction with De Hong Development.
- Short-term business development plans:
- The refurbished Taoyuan branch started trial operation on September 15, 2018, and officially opened on October 3, 2018.
 - With respect to leasing, the Company will strive to increase rental income by adjusting rent rates or tenants as lease agreements expire.
 - Actively sell the Yangmingshan construction project and Jiaoxi construction project to increase revenue.

II. Overview of market and sales

(I) Market analysis

1. Department store segment

(1) Geographic areas where the main products (services) of the company are provided

Unit: NT\$ thousand; %

Geographic areas of sales	2024		2023	
	Amount	Ratio	Amount	Ratio
Taoyuan Branch-revenue of department store	205,756	42.30	202,147	43.23
-General leasing	49,518	10.18	40,549	8.67
Taipei Branch-leasing	231,187	47.52	224,869	48.09
Total	486,461	100.00	467,565	100.00

The Company's department store business currently has only one store in Taoyuan, and its sales area is mainly in Taoyuan City and its suburbs; the original store in eastern Taipei is mainly for real estate leasing. The revenue for 2024 was NT\$486,461 thousand, representing an increase of NT\$18,896 thousand compared to the 2023 revenue of NT\$467,565 thousand. This increase was mainly due to the steady rent collection from the Taipei and Taoyuan stores, as well as contractual rent adjustments under long-term lease agreements, which contributed approximately NT\$15,287 thousand to the increase in lease revenue.

(2) Market share, demand and supply conditions for the market in the future:

In the past few years, Taipei Xinyi District has Shin Kong Department Store's 3rd and 4th buildings, the large-scale 101 Mall, Eslite Flagship Store, and Uni-President Taipei. Now Breeze Center and the Fareast have joined the competition. However, Taipei Branch has been leased, so the impact is relatively small. In Taoyuan, Tonlin, Fareast and Shin Kong are in the CBD in front of Taoyuan Station, and Taimall and MetroWalk are at the off-skirt. The market is roughly in supply-demand balance.

(3) Market's growth potential, the company's competitive niche

Due to the decline in the population growth rate, it is difficult to expand the market for department stores in Taoyuan. To respond the changes of modern trends, and more and more competitors of emerging channels, such as hypermarket and specialty stores, the Board of directors approved the proposal of refurbishing Taoyuan Branch on October 24, 2016. The Taoyuan Branch has started the trial operation on September 15, 2018, and officially opened on October 3, 2018. In addition to retaining some of the existing vendors with outperformance, the Company also introduced cinema, mid- and large-scale restaurants, sports and leisure, amusement park and Eslite Life for joint operation, to improve the performance.

- (4) Positive and negative factors for future development, and the company's response to such factors.
- A. Positive factors
- ①The location of the store is in the elite area, with crowds and good consumption potential.
 - ②Department stores are all self-owned, may be operated sustainably, with the potential for asset appreciation.
 - ③After the Zhongxiao Store is leased out, stable profits is helpful to the fund utilization.
- B. Negative factors
- ①The peers have been expanding branches, and large shopping malls have been developed, to share the retail market. The competition will become more fierce in the future.
 - ②Stores have been developing towards large-scale, but the investment and development costs of the urban elite areas are too high, with very long period of payback; the branch expansion is becoming more and more difficult.
- C. Response:
- ①Taoyuan Branch was refurbished and officially operated. It has been transformed into a shopping mall with a combination of movie theaters, medium and large restaurants, sports and leisure, and Eslite Bookstore to provide customers with a good shopping environment.
 - ②The Taipei Branch maintains a full lease. When the contract expires, the rent or tenants will be adjusted according to market supply and demand. Before the expiration, the rent will be increased according to the percentage set forth in the contract.
2. Construction Segment
- (1) Geographic areas where the main products of the company are provided
- A. Yuyangming construction project at Yangming Mountain in Taipei been completed, and the sales have reached 93% so far.
- B. The Jiaoxi construction project was completed in the third quarter of 2017, and sales began in the fourth quarter of the same year. So far it has sold 93%
- (2) Market share, demand and supply conditions for the market in the future:
- The subsidiary, De Hong Development only has the sales amount less than NT\$2 billion from construction project, with the limited market share. For the Yuyangming construction project at Yangming Mountain, as only very few construction projects in Yangming Mountain, without specific supply, it mainly provides second housing or potential customer who can live in a natural environment. The Jiaoxi construction project focuses on providing small-scale leisure and vacation residences.
- (3) Market's growth potential, the company's competitive niche
- Due to the difficulty of obtaining land, except that the Yangming Mountain project has been completed and begun to sale, Jiaoxi has also increased revenue by joint construction and unit sharing. Meanwhile, the Company actively discusses joint construction with landlords in the Greater Taipei area to expand its business. The shareholders of the Company have been engaged in the construction industry for more than 30 years, and their competitiveness has been able to gain a foothold in the market by being cautious and conservative together with the supports of Tonlin's funds.
- (4) Positive and negative factors for future development, and the company's response to such factors.
- A. Positive factors
- ①The directors have more than 30 years of experience in the construction industry.
 - ②The parent company, Tonlin, makes stable profits and provides the funds needed for development.
- B. Negative factors
- ①Land prices have been rising and it is not easy to obtain them.
 - ②The government's control measures on real estate have caused home buyers to wait and see.
- C. Response:
- ①The Company will focus on prudently evaluating the differences in joint construction and product planning, in order to continue development and reduce future sales risks.
 - ②Strengthen product planning and control construction costs.

(II) Usage of major products

1. Department store segment

The Company's department stores operate is a shopping mall that combines movie theaters, medium and large restaurants, sports and leisure, and Eslite Bookstore, to meet the daily needs and the pursuit of high-quality life of consumers, while providing additional social functions such as leading popular and leisure culture.

2. Construction Segment

The Company's current products are mainly in the residential market, providing consumers with residential products.

(III) Supply situation for the company's major raw materials

1. Department store segment:

Operation of the Company: Such as lingerie and sleepwear.

Counters: Counters are set up by medium and large catering, domestic manufacturers and wholesalers or importation agencies. The operation is on a commission basis.

2. Construction Segment:

Mainly contract to well-known domestic and foreign construction companies in the manner of including labor and materials.

(IV) List of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in the 2 most recent fiscal years

1. Clients accounting for 10 percent or more of the company's total sales:

① For the department store segment, Taoyuan Branch's sales are targeted at general consumers.

Because the amount is small and customers are many, customers with more than 10% of the total sales are not listed.

② For the leasing business under the department store segment, customers accounted for more than 10% and their amounts:

Unit: NT\$ thousand

2024				2023				As of the previous quarter 2025 (Note 1)			
Name of client	Amount	Ratio (%)	Relationship with the issuer	Name of client	Amount	Ratio (%)	Relationship with the issuer	Name of client	Amount	Ratio (%)	Relationship with the issuer
A	142,680	50.83	None	A	137,952	51.98	None				
B	35,280	12.57	None	B	38,650	14.56	None		Not applicable		
C	20,935	7.46	None	C	20,935	7.89	None				
Others	81,810	29.14	None	Others	67,881	25.58	None				
Total	280,705	100.00		Total	265,418	100.00					

Note 1: the financial information has not been reviewed by the CPAs.

- ③Construction segment: Yuyangming construction project at Yangming Mountain has been on sale since 2014, 12 units were sold before 2023, and there was 1 unit sold in 2024. The Jiaoxi Xien-Xien construction project has been on sale since the fourth quarter of 2017. 34 units were sold before 2023, and 5 units were sold in 2024.

Unit: NT\$ thousand

2024				2023				As of the previous quarter 2025 (Note 1)			
Name of client	Amount	Percentage (%)	Relationship with the issuer	Name of client	Amount	Percentage (%)	Relationship with the issuer	Name of client	Amount	Percentage (%)	Relationship with the issuer
A	70,577	64.80	None	A	71,826	33.92	None				
B	9,840	9.04	None	B	71,731	33.88	None		Not applicable		
C	9,781	8.98	None	C	68,179	32.20	None				
D	9,369	8.60	None								
E	9,340	8.58	None								
Total	108,907	100.00		Total	211,736	100.00					

Note 1: The financial information has not been reviewed by the CPAs.

Note 2: The total amount in 2024 decreased by about NT\$102,829 thousand compared to 2023, mainly due to the decrease in the number of houses in the construction projects in the total sales price this year.

2. Suppliers accounting for 10 percent or more of the company's total procurement:

①Department store segment:

Unit: NT\$ thousand

2024				2023				As of the previous quarter 2025 (Note 1)			
Name	Amount	Percentage to the net purchase of goods (%)	Relationship with the issuer	Name	Amount	Percentage to the net purchase of goods (%)	Relationship with the issuer	Name	Amount	Percentage to the net purchase of goods (%)	Relationship with the issuer
A	110,360	9.41	None	A	135,127	11.24	None				
B	103,281	8.81	None	B	98,752	8.21	None		Not applicable		
C	98,485	8.40	None	C	88,408	7.35	None				
D	46,674	3.98	None	D	49,205	4.09	None				
E	46,621	3.98	None	E	47,983	3.99	None				
F	43,540	3.71	None	F	45,531	3.79	None				
Others	723,280	61.71	None	Others	737,166	61.32	None				
Net purchase of goods	1,172,241	100.00		Net purchase of goods	1,202,172	100.00					

Note 1: the financial information has not been reviewed by the CPAs.

Note 2: The increase in the turnover of counters in 2024 resulted in the increase in the related operating costs.

②Construction Segment:

Yuyangming construction project at Yangming Mountain: It was self-built on the self-owned land, started construction in November 2011, and was completed in April 2013.

Jiaoxi Xien-Xien construction project: It is a joint-construction with unit-sharing project with the landlord. The construction started in March 2015 and completed in 2017.

III. Employees

The Company values the labor rights and interests of employees highly, and creates a happy and safe working environment to provide employees with friendly and equal employment opportunities, and build a mutually respected working atmosphere. The Company provides a market-competitive salary level, increases the employees' loyalty to the Company, reduces the frequent mobility of people, so that the Company can stabilize its development. The interaction between employees and management is good, and employees can express their opinions at labor-management meetings. The Company also responds to the acquisition of labor-management consensus.

The department store has been active in taking care of employees, regardless of their background, and has taken precautions to protect employees' interests. Particularly, the department store is in the retail industry, and all employees are under the irregular contract (i.e. permanent employees). The Company has a competitive remuneration level, and attracts outstanding talent to join the Company to work together. It ensures a long-term stable working pattern, so that employees can safely invest in their work, and provide protection for the economic life of colleagues.

Employees can be divided into the front-end personnel and back-end personnel. The front-end personnel are mostly women due to the nature of the department store industry. The back-end personnel are mainly engaged in equipment maintenance and business operations, and men are the majority.

Year		2024	2023	Current year up to April 10, 2025
Number of employees		65.83	71.50	64.5
Average age (year)		45.77	45.70	46.9
Average years of service (year)		12.47	13.00	12.21
Distribution of academic qualifications	PhD	0.00	0.00	0.00
	Master	4.82	3.73	5.04
	College	68.91	69.58	68.6
	Senior high school	26.27	26.69	26.36
	Lower than senior high school	0.00	0.00	0.00
	Total	100.00	100.00	100.00

IV. Disbursements for environmental protection

- (I) 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: none.
- (II) Response and possible expenditure:
Up to now, the Company and subsidiaries have not sustained any compensation or losses due to environmental pollution incidents.

V. Labor relations

(I) Employee benefit plans

1. The department store business segment of the Company's establishment of the Employee Welfare Committee was approved with the Letter (81) Bei-Shi-Fu-Lao (3)Zhi No.17962 on September 23, 1992. Therefore, all relevant employee welfare measures have been coordinated and handled the Welfare Committee.
2. The Company values the health of employees, so it cooperates with relevant medical institutions and health examination centers to organize health check for in-service employees pursuant to laws and regulations.
3. The subsidiaries do not have any employee welfare committee, but their employees are entitled to three festival bonuses, weddings and funerals subsidies, and year-end parties.

(II) Employees' education and trainings

1. Employees can may participate continuing education courses like English, Japanese, computer in their spare time. The subsidies are available with the tuition receipts.
2. The Company regularly organizes training every month for the new employees. Employees are educated about the Company's business philosophy, how to fulfill their duties in daily work, implementation and expression of Tonlin's spirit, and establish a good relationship of mutual assistance. For professional functions, each department may apply for external training based on actual needs.

(III) Retirement system and implementation

1. The Company's department store segment has established the labor pension regulations on January 1, 1986, and applied the Labor Standards Act since March 1, 1998. Other than the enactment of the Labor Standards Act, the Company also revised all related regulations to comply with the Labor Standards Act and related requirements. The Company has established the employee retirement regulations, and established the Supervisory Committee for Labor Retirement Reserves in accordance with the Labor Standards Act. Under the old system, the Company contributed 2% of monthly salaries into the dedicated account at the Bank of Taiwan.
2. Starting from July 2005, the pension is handled based on the employees' choice of contribution under the new or old pension scheme. Upon implementation of the new system under the Labor Pension Act, for employees who choose the new system, the Company also contributes a monthly pension equivalent to 6% of the monthly salary to the labor insurance account, appoints a consulting company to conduct an actuarial calculation of the pension reserve under the old system, and contributes full amount for employees who meet the retirement requirements, in order to ensure the retirement rights of all employees.
3. In accordance with Articles 51~59 of Chapter 5 of the Work Rules, the Company has formulated the employee retirement regulations:

●Voluntary retirement

An employee of the Company may voluntarily apply for retirement if he/she falls under any of the following circumstances:

- (1)Those who have worked for 15 years or more and are at least 55 years old.
- (2)Those who have worked for 25 years or more.
- (3)Aged 60 or above with at least 10 years of service.

●Compulsory retirement

An employee of the Company shall retire compulsorily if he/she falls under any of the following circumstances:

- (1)Aged 65 or above.
- (2)Mentally or physically incapacitated.

The Company may request the central competent authority to adjust the age prescribed in the subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.

●Retirement notice

The application for retirement must be submitted one month in advance and the resignation procedures must be completed.

●Standards of pension payment

The employee's seniority is calculated from the date of employment, and the pension standards are as follows:

- (1)Based on their seniority, they are given two bases for each full year of service. However, for each full year of service exceeding 15 years, they are given one base for each full year, up to a maximum of 45 bases. If the period is less than half a year, it will be counted as half a year. If the period of more than half a year is completed, it will be counted as one year.

(2) In accordance with the provisions of the subparagraph 2, Paragraph 1, Article 53 of the Act, for employees forced to retire, if their mental or physical disability results from their performance of duties, an additional 20% shall be paid in accordance with the provisions of the preceding subparagraph.

The standard for the pension base in the subparagraph 1 of the preceding paragraph takes March 1, 1998 as the boundary. The seniority before March 1, 1998 is based on the basic salary. The seniority after March 1, 1998 (inclusive) is based on the average salary defined by the Labor Standards Act. The bases adopted by the calculation of pension under the relevant requirement shall be no more than 45 units.

The determination of the seniority for the pension referred to in the subparagraph 1 of the preceding paragraph does not apply to new employees recruited after July 1, 2005.

Notwithstanding, for any old employees who choose the new pension system after July 1, 2005, their seniority accrued before the application of the new system may be retained. When they retire, the pension for the retained seniority will also be paid.

(IV) Other important agreements

The Company has a employee suggestion box; the regular management meetings are also held. The communication channels between labor and management are smooth, and the relationship is harmonious. So far, there have been no major labor disputes.

(V) Any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes, and response and possible expenditure in the future:

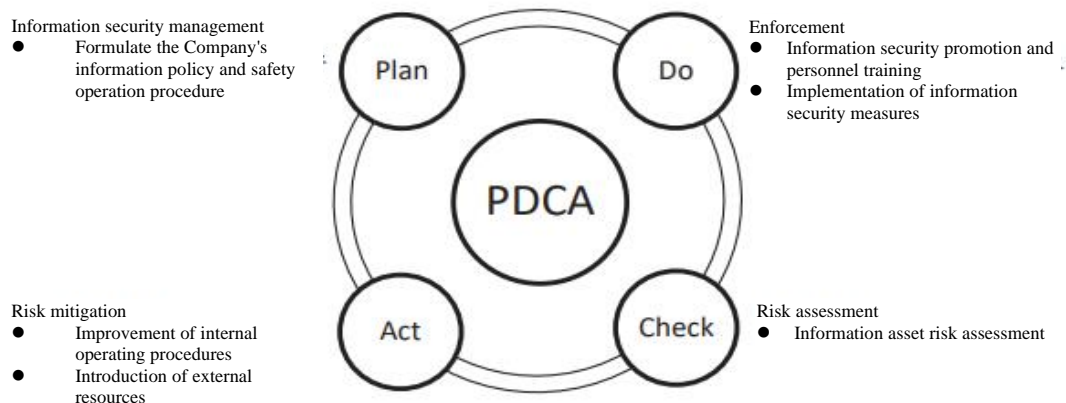
During the current year up to the publication date of the annual report, the Company has not sustained any loss due to labor disputes

VI. Cyber security management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber security risk management framework:

- (1) The Company's unit accountable for the information security is the Computer Department with one information officer and 2~3 information engineers appointed. The unit is responsible for formulating security policies, planning and implementing security operations, and promoting and implementing information security policies.
- (2) For the main mode of operation, the Company adopts the PDCA (Plan-Do-Check-Act) cycle management to ensure the achievement of reliability goals with continuous improvement.



2. Cyber security policies:

The Company's information security management mechanism includes the following three aspects:

- A. System and regulations: formulating the Company's information security management system, to regulate the operational behaviors of personnel.
- B. Hardware construction: building an information security management system and implementing information security management measures.
- C. Personnel training: conducting information security education and training regularly to enhance 'all employees' awareness of information security

3. Concrete management programs

- (1) System and regulations: The Company internally formulates relevant information security regulations and systems to regulate the information security behavior of the Company's personnel, and regularly examines whether the relevant systems are aligned with laws and regulations and changes in the operating environment every year, and adjusts them in a timely manner based on needs.
- (2) Hardware construction: To prevent various external information security threats, the Company not only adopts a multi-layer network structure design, but also builds various information security protection systems, to enhance the security of the overall information environment.
- (3) Personnel training: The Company regularly organizes information security education and training courses every year. All employees shall take the aforementioned courses at least once a year to enhance internal personnel's information security knowledge. Any employee fails to complete the information security course of the year through the aforementioned entity, the Computer Department and the Management Department will track and this failure, and list it as an item to be check for the annual performance appraisal.

Item	Concrete management programs
Firewall protection	Connection rules are configured in the firewalls Exceptional application is required for special connection needs Monitor and analyze the data report of firewalls
Anti-virus endpoint protection	Endpoint protection software is installed in the server and employees' terminal computer equipment. The virus code is automatically updated to ensure that the latest virus will be blocked; meanwhile, the installation of potentially threatening system execution files will be detected and prevented.
Safeguard of e-mails	The system is equipped with automatic email scanning and threat protection to prevent unsafe attachments, phishing emails, and spam before users receive emails, and expand the scope of protection against malicious links. Antivirus software and endpoint protection systems also scan emails on PCs for unsafe content.
Safeguard of network transmission	The website transmission is added with the security protocol, and the communication process is encrypted with SSL/TLS.
Update of operating systems	The operating system is automatically updated, and those who fail to update for some reason will be assisted by the Computer Department for updating.
Important files are uploaded to servers	The important files of each department in the Company are stored in the file server, and the backup is managed by the Computer Department.
Mechanism to backup data	Important information systems and databases are configured to be fully backed up every day. The server and each information system environment, and database backup files are stored in the cloud backup platform (off-site) synchronously.
Information inspection record	The temperature and humidity records of the data center, uninterruptible power system voltage monitoring, are to be recorded and inspected online Review the anti-virus software, endpoint defense, firewall warning record.

4. Investments in resources for cyber security management

In 2024, the weakness scanning and penetration testing, social security drill, and employee information security education and training will be implemented. The head of information security department and the ISO27001 certified chief auditor In 2025, the Company will introduce a rail log system and upgrade the end system to improve protection efficiency. The Company will continue to train or acquire certifications for relevant personnel in information security.

(II) Any losses incurred due to major cyber security incidents, potential impacts, and countermeasures in the most recent year and up to the publication date of this annual report:

In the most recent year and up to the date of publication of the annual report, the Company has never suffered losses due to major cyber security incidents. The Company will continue to enhance the security control over the network and information infrastructure to ensure data security.

VII. Important contracts

Nature of contract	Appointee	Commencement dates and expiration dates	Key content	Restrictive terms
Lease contract	An Team Property Co., Ltd.	2023.01.01~2031.12.31	B2, 6 parking spaces, No.35~No.40	None
Lease contract	ITX Taiwan B.V. Taiwan Branch (THE NETHERLANDS)	2011.08.10~2034.11.23	B1、1F、2F	None
		2014.07.29~2026.08.21	9F-11	
Lease contract	Uni-Wonder Corporation	2013.01.01~2027.02.28	1F	None
Lease contract	B with U Clothing	2024.03.01~2029.02.28	1F (1-1 - 1-3)	None
Lease contract	FANTINS LTD.	2024.03.01~2027.02.28	1F-1(F03)	None
Lease contract	Spotlight _korea	2023.04.09~2026.03.31	1F(F07)	None
Lease contract	YBG Inc.	2024.09.06~2027.10.05	1F(F10)	None
Lease contract	World Fitness Asia Limited (H.K.) Taiwan Branch	2017.07.22~2023.07.21 2023.07.22~2033.07.21	3F、4F	None
Lease contract	Jing Zhan Industrial Co., Ltd.	2023.01.11~2032.11.10	7F	None
Lease contract	Huang, Chuo-Huang	2022.11.11~2032.11.10	8F-9	None
		2022.12.11~2032.11.10	9F-13	
Lease contract	Luxy Corp.	2021.04.01~2026.12.31	1F Hallway	None
		2021.01.01~2026.12.31	10F-7	None
Lease contract	Xiang Yen Co., Ltd.	2021.04.01~2026.12.31	10F-7	None
Lease contract	Yi Chi Workshop	2024.11.11~2029.11.30	10F-11	None
Lease contract	Chang Man Huo Wu Tian Jia Co., Ltd.	2024.01.01~2025.12.31	13F-1	None
Lease contract	Taiwan Pan Pacific Retail Management Co., Ltd. (Donki)	2024.07.01~2027.06.30	Taoyuan B1	None
Lease contract	Singapore Hai Di Lao Catering Pte. Ltd. Taiwan Fourth Branch	2018.09.15~2026.09.14	8F, Taoyuan Branch	None
Lease contract	Viewshow Cinema	2018.09.21~2030.09.20	9-12F, Taoyuan Branch	None
Mid-term borrowing contract	Bank SinoPac	2024.12.05~2026.12.31	Limit of borrowing NT\$1.4 billion	None
Mid-term borrowing contract	Bank of Taiwan	2024.08.15~2027.08.15	Limit of borrowing NT\$700 million	None
Mid-term borrowing contract	Hua Nan Commercial Bank	2024.10.04~2027.10.04	Limit of borrowing NT\$493 million	Within the effective contract period and limit of borrowing, the

Nature of contract	Appointee	Commencement dates and expiration dates	Key content	Restrictive terms
				maximum duration of each borrowing is three years
Mid-term borrowing contract	First Commercial Bank	2024.12.06~2026.12.06	Limit of borrowing NT\$480 million	None
Mid-term borrowing contract	Yuanta Commercial Bank	2024.11.08~2027.11.07	Limit of borrowing NT\$400 million	None

Five. Review and analysis of financial status and financial performance and risk evaluation

I. Financial position:

Unit: NTD thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current asset	906,838	1,082,278	(175,440)	(16.21)
Property, Plant and Equipment	2,066,434	2,132,796	(66,362)	(3.11)
Net amount of investment property	2,741,020	2,139,253	601,767	28.13
Other assets	253,617	239,143	14,474	6.05
Total assets	5,967,909	5,593,470	374,439	6.69
Current liabilities	712,116	932,754	(220,638)	(23.65)
Long-term borrowings	2,252,000	1,794,000	458,000	25.53
Other liabilities	282,747	276,658	6,089	2.20
Total liabilities	3,246,863	3,003,412	243,451	8.11
Share capital	1,754,030	1,754,030	0	0.00
Additional paid-in capital	0	59,689	(59,689)	(100.00)
Retained earnings	1,013,922	814,389	199,533	24.50
Other equities	(46,906)	(38,050)	(8,856)	23.27
Non-controlling interests	0	0	0	0.00
Total Equity	2,721,046	2,590,058	130,988	5.06
(I) Reasons of material changes to assets, liabilities, and shareholders' equity:				
1. The increase in the net amount of investment property in 2024 compared to 2023 was mainly due to land acquisitions made in connection with the Company's land rezoning plan. 2. The increase in current liabilities and long-term borrowings in 2024 compared to 2023 was mainly due to higher borrowing needs for operational purposes. 3. The decrease in capital reserve in 2024 compared to 2023 was mainly due to the distribution of cash dividends from the capital reserve during the year. 4. The significant increase in retained earnings compared to 2023 was mainly due to the Company's simplified merger in 2023, which involved the cancellation of treasury shares and the write-off of related accounts, as well as the transfer of profits from both 2023 and 2024. 5. The decrease in other equity items in 2024 compared to 2023 was mainly due to the reclassification of unrealized losses on financial assets measured at fair value through other comprehensive income.				
(II) For these with material impacts, the future responding plans:				
It is expected that the construction segment will continue the sales of the Yuyangming project at Yangming Mountain and Jiaoxi construction projects in 2025. Meanwhile, the Taoyuan Branch will actively recruit vendors and launch various promotional campaigns. In the future, the relevant borrowings will be repaid once the inflow of working capital is available in the future.				

II. Financial performance

Unit: NTD thousand

Item \ Year	2024	2023	Amount increased (decreased)	Percentage of change (%)
Operating revenues	606,041	684,079	(78,038)	(11.41)
Operating cost	175,011	284,357	(109,346)	(38.45)
Gross profit	431,030	399,722	31,308	7.83
Operating expenses	193,863	190,794	3,069	1.61
Operating profit	237,167	208,928	28,239	13.52
Non-operating income and (expense)	37,061	23,482	13,579	57.83
Profit before tax	274,228	232,410	41,818	17.99
Income tax	76,293	27,501	48,792	177.42
Current period net profit	197,935	204,909	(6,974)	(3.40)
Other comprehensive income	(7,258)	(2,791)	(4,467)	160.05
Total comprehensive income	190,677	202,118	(11,441)	(5.66)

(I) Analysis and explanation of changes

1. The details of consolidated operating revenue for 2024 and 2023 are as follows:

	2024	2023	Difference
Incomes from department stores	156,494	158,015	(1,521)
Lease incomes	280,705	270,196	10,509
Construction incomes	119,580	211,736	(92,156)
Other operating revenues	49,262	44,132	5,130
	606,041	684,079	(78,038)

Overall, revenue in 2024 decreased by approximately NT\$78,038 thousand compared to 2023, primarily because, although the number of units sold in 2024 increased by 3 compared to 2023, the selling price per unit of the Jiaoxi project was lower than that of the Yangmingshan project, resulting in a decrease of NT\$92,156 thousand in construction income. Rental income increased by NT\$10,509 thousand due to rent adjustments in accordance with long-term contracts and the consolidation of a subsidiary. Additionally, other operating income increased by NT\$5,130 thousand due to higher management fee deductions compared to the previous year. In contrast, operating costs decreased by approximately NT\$109,346 thousand. Overall, gross profit from operations increased by approximately NT\$31,308 thousand.

2. As for operating expenses, the main increase was due to expenditures related to the rezoning project in Xinzhuang District, including land acquisition commissions, appraisal service fees, notary fees, and related regulatory fees. Total operating expenses increased by approximately NT\$3,069 thousand.

3. The net amount of non-operating income increased by approximately NT\$13,579 thousand, primarily due to an increase of approximately NT\$17,001 thousand in gains from financial assets mandatorily measured at fair value through profit or loss, a decrease of approximately NT\$2,463 thousand in dividend and bond interest income, and an increase of approximately NT\$1,587 thousand in interest expenses.

4. Income tax expense increased in 2024 due to the rise in net income before tax, the adjustment of related operating expenses from the sale of tax-exempt land, and the reversal of deferred interest expenses from previous years.

5. Other comprehensive income decreased by approximately NT\$4,467 thousand, primarily due to an increase of NT\$1,118 thousand in actuarial gains on defined benefit plans, an increase of NT\$5,362 thousand in unrealized valuation losses on equity instrument investments measured at fair value through other comprehensive income, and a related increase of NT\$223 thousand in deferred income tax.

6. In nutshell, the comprehensive income, NT\$190,677 thousand for 2024, was NT\$11,441 thousand lower from NT\$202,118 thousand reported in 2023.

(II) Expectation and its basis, the possible impact on the Company's future finance and business and the response plan:

It is expected that the construction segment will continue the sales of the Yuyangming project at Yangming Mountain and Jiaoxi project in 2025. Further, after the refurbishment of Taoyuan Branch, with the enhanced business planning, it is expected to improve the performance of future operations.

III. Cash flow

(I) Analysis and explanation of the changes to the cash flows in the most recent year

Item \ Year	2024	2023	Percentage of change (%)
Cash flow ratio (%)	59.66	30.63	94.78
Cash flow adequacy (%)	154.76	268.78	(42.42)
Cash flow reinvestment ratio (%)	6.13	5.39	13.73
Analysis and explanation of changes			
<p>1. Increase in cash flow ratio: Mainly due to the increase in proceeds from the disposal of financial investments in 2024, higher net cash inflow from operating activities, and a decrease in short-term borrowings, which led to a reduction in current liabilities.</p> <p>2. Decrease in cash flow adequacy ratio: Mainly due to a significant increase in capital expenditures over the most recent five-year period in 2024 compared to 2023.</p> <p>3. Increase in cash reinvestment ratio: Mainly due to increased proceeds from the disposal of financial investments in 2024, resulting in higher net cash inflow from operating activities.</p>			

(II) Improvement plan to illiquidity: The Company will actively sell the Yuyangming and Jiaoxi projects, and also strive to stabilize the leasing business of the Taipei Branch; meanwhile, the operation and revenue of the Taoyuan Branch will also increase the inflow of working capital, so there should be no liquidity risk of being unable to raise funds to fulfill contractual obligations.

(III) Analysis of cash flow for the next year:

Unit: NTD thousand

Cash balance at the beginning of the year①	Estimated yearly net cash inflow from operating activities②	Projected cash outflow for the year③	Anticipated cash surplus (shortage)①+②-③	Remedies for cash deficits	
				Investment plans	Financing plans
116,279	120,627	124,861	112,045	-	-
Analysis of cash flow changes for next year					
(1) Operating activities: The Taoyuan Store is expected to be operating steadily after renovation in 2025, and the revenue will increase the inflow of working capital.					
(2) No material investment is expected in the next year.					

IV. Impacts of major capital expenditures in the most recent year on financial operations:

Due to the declining operating performance of the traditional department store counters, the Company resolved to approve the Taoyuan Branch's refurbishment proposal by the board of directors on October 24, 2016. On February 10, 2017, the board of directors resolved to contract the construction project of Taoyuan Branch to non-related parties. The total contract price of the construction project was NT\$1,112,410 thousand. The refurbished Branch was officially opened for operation in October 2018. In addition to retaining top revenue-generating merchants, the restaurant (beverages), sports, leisure, entertainment, and cinema merchants were introduced for joint-operation.

V. The most recent investment policy, the main reason for profit or loss thereof, improvement plan, and investment plan for the coming year:

- (I) The Company's reinvestment targets are mostly venture capital companies, seeking to create income outside of its own business through the professional management of venture capital companies. Since most of the venture capital companies in which the Company invested were established between 1998 and 2000, the agreed durations have expired, and the Company has been divesting to recover the investments. The Company will gradually recover investment costs through capital decrease of the venture capital companies and dividend distributions.
- (II) The Company expanded to the construction industry in 2009 for diversified operation; up to the end of 2024, the Company has invested NT\$1.2 billion in De Hong Development Co., Ltd. The subsidiary has begun to sell projects since 2014. Currently, there are some units remaining in the Yangmingshan-Yuyangming in Taipei City and Yilan-Jiaoxi Xien-Xien. As of the end of 2024, there were a total of 4 units remaining, stated as the inventory amounting to about NT\$125 million.
- (III) The Company purchased the shares of Zhongxiao Industrial Co., Ltd. per resolution of the Board of Directors in August 2010. As of the end of December 2024, the Company's shareholding was 26.89%, and the 2024 dividend revenue was NT\$4,572 thousand.
- (IV) The Company has no plan for significantly increase in the amount of re-investment in next year.

VI. Assessment of risks

- (I) During the most recent fiscal year up to the publication date of the annual report, the 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:

Interest fluctuations	Bank deposits and loans that the Company has placed/borrowed at fixed rate are susceptible to interest rate risk in the form of fair value change. There, it is assessed that the impact of interest rate variation to be insignificant given the short borrowing tenor and low borrowing rate. Due to the holding bank deposits and borrowings with variable interest rates, the Company is exposed to the risk of cash flow interest rate risk. However, the analysis showed that the sensitivity to interest rates during the period had not changed significantly from the previous period. There was no significant impact on the overall operation of the Company during 2024 up to the publication date of the annual report.
Exchange rate fluctuations	Since the Company does not engage in foreign exchange-related transactions for the purpose of arbitrage or speculation, and the Company's purchases and sales are mainly received and paid in New Taiwan Dollars, during 2024 and as of the publication date of the annual report, the exchange rate changes have not had any significant impact on the company's profit and loss.
Inflation	The consumer price index rose, but the overall price trend is still stable relative to the increased prices in neighboring Asian countries. In 2024 and as of the date of publication of the annual report, the Company has not yet experienced any immediate and significant impact from inflation.
Responding measures	The Company will keep on monitoring interest rates, exchange rate trends and related information about changes, in order to reduce the impact of interest rate and exchange rate changes; meanwhile, it will immediately grasp the domestic and foreign financial situation and strengthen risk control. In the event of major economic changes, it should be cautiously impose the responding measures to reduce possible losses in the Company's finance and business due to changes in interest rates and exchange rates.

- (II) Main reasons for profits or losses on high-risk, highly leveraged investments, loans to others, endorsements/guarantees, and derivatives transactions in the most recent year and up to the date of publication of the annual report, and countermeasures to be taken in the future:
1. The Company does not engage high-risk investments, highly leveraged investments and derivatives transactions. Due to the principle of robustness and pragmatism, the Company does not plant to engage high-risk investments, highly leveraged investments and derivatives transactions in the future.
 2. The Company has established the “Operational Procedures for Loaning of Funds to Others” pursuant to the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” issued and enacted by the competent authority, and submitted to the Board of directors and the shareholders’ meeting for approval. To implement the loaning of fund to others, the “Operational Procedures for Loaning of Funds to Others” approved by the Board of directors and the shareholders’ meeting must be followed, to prevent negative impacts on the Company.
 3. The Company has established the “Operational Procedures for Endorsements/Guarantees” pursuant to the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” issued and enacted by the competent authority, and submitted to the Board of directors and the shareholders’ meeting for approval. To implement the endorsement/guarantee, the “Operational Procedures for Endorsements/Guarantees” approved by the Board of directors and the shareholders’ meeting must be followed to conform to the risk control, and prevent negative impacts on the Company.
- (III) During the most recent fiscal year up to the publication date of the annual report, the research and development work to be carried out in the future, and further expenditures expected for research and development work.
- The Company itself is not involved in product development and manufacturing, so there is no R&D plan and cost.
- (IV) During the most recent fiscal year up to the publication date of the annual report, the effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:
- The Company has taken appropriate responding measures to deal with important domestic and foreign policy and legal changes in recent years. In the future, the President’s Office and Finance Department will monitor the latest regulatory changes and consult professional opinions from lawyers and accountants. The responding measures to important domestic and foreign policy and legal changes will be studied and discussed to achieve compliance and reduce the impact on the Company’s finance and business.
- (V) During the most recent fiscal year up to the publication date of the annual report, the effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response.
- Technology is evolving every day, and the Internet is everywhere. The functions of mobile devices such as smart phones and tablets have been continuously strengthened and the prices are getting cheaper; emerging services such as applications, cloud applications, and big data, have developed rapidly, creating online business opportunities, and impact the mortar and brick market. In light of this, the Company has been committed to using high-tech products and launching the O2O marketing model to create higher sales.
- (VI) During the most recent fiscal year up to the publication date of the annual report, the effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response.
- The Company has been committed to maintaining a good corporate image for many years and complying with laws and regulations. In order to effectively control the quality of communication with the media and avoid improper handling of crises that damages corporate image, the Company has implemented a spokesperson mechanism, to assign dedicate staff for customer complaints and shareholder suggestions, to effectively maintain the Company's reputation and image. During 2024 up to the publication date of the annual report, there has been no crisis due to changes in the Company's corporate image.

- (VII) During the most recent fiscal year up to the publication date of the annual report, the expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken.
During 2024 up to the publication date of the annual report, the Company has had no M&A plan.
- (VIII) During the most recent fiscal year up to the publication date of the annual report, the expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken.
During 2024 up to the publication date of the annual report, the Company has had no material plan for capital expenditure.
- (IX) During the most recent fiscal year up to the publication date of the annual report, the risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.
The Company belongs to the department store and construction industry. It sells diversified products and does not purchase from or sell goods to a single supplier or customer. Therefore, there is no risk of purchase or sales concentration.
- (X) During the most recent fiscal year up to the publication date of the annual report, the effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken.
During 2024 up to the publication date of the annual report, there was no major quantity of shares transferred or otherwise changed hands, and thus no concern of risk for material changes existed.
- (XI) During the most recent fiscal year up to the publication date of the annual report, the effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken.
None during 2024 and up to the publication date of the annual report.
- (XII) Litigious and non-litigious matters:
During 2024 and up to the publication date of the annual report, there was no material litigation or administrative disputes.
- (XIII) Other important risks, and mitigation measures being or to be taken: not applicable.

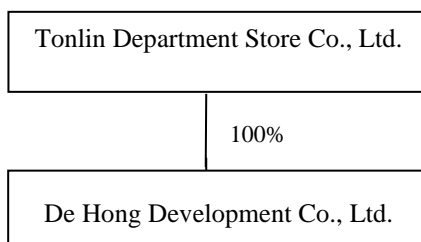
VII. Other important matters: none

Six. Special Disclosures

I. Information related to affiliates:

(I) Consolidated business report of affiliated

1. Affiliate organizational chart



2. Basic Information about affiliates

Name of enterprise	Date of establishment	Address	Paid-in Capital	Main Businesses and Products
De Hong Development	2009.10.22	10F-6, No. 197, Zhongxiao E. Rd. Sec. 4, Taipei City	NT\$1.2 billion	General construction

3. Information of common shareholders of the companies presumed to be controller and subordinate: None

4. Industries covered by all affiliates: department store retailing, leasing of buildings, professional investment, and construction.

5. Information on directors, supervisors, and president of each affiliates

Investor	Name of enterprise	Title	Name or Representative	Unit: shares	
				Shareholding	
				Shares	Shares Ratio
The Company	De Hong Development	Chairperson Director Director Director Supervisor	Tonlin Department Store (Representative: Su Chien-I) Tonlin Department Store (Representative: Su Chien-Hsing) Tonlin Department Store (Representative: Weng Chun-Chih) Tonlin Department Store (Representative: Weng Hua-Ting) Tonlin Department Store (Representative: Weng Hua-Li) Tonlin Department Store (Representative: Weng Ju-I)	120,000,000	100%

6. Overview of affiliates' operations

Name of enterprise	Paid-in Capital	Total assets (NT\$ thousand)	Total liabilities (NT\$ thousand)	Net worth (NT\$ thousand)	Revenue (NT\$ thousand)	Income before tax (NT\$ thousand)	Current Net Profit/Loss (after tax)	Earnings (losses) per share (After tax; NT\$)
De Hong Development	NT\$1.2 billion	1,107,852	1,069	1,106,783	108,907	(64,338)	(64,338)	(1.10)

(II) Declaration Concerning Consolidated Financial Statements of Affiliated Enterprises:

Declaration Concerning Consolidated Financial Statements of Affiliated Enterprises

Affiliated enterprises subject to the preparation of consolidated financial statements of affiliated enterprises under "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were identical to the affiliated companies subject to the preparation of consolidated financial statements under International Financial Reporting Standards No. 10 (IFRS 10) for financial year 2024 (from January 1 to December 31, 2024). All mandatory disclosures of the consolidated financial statements of affiliated enterprises have been disclosed in the consolidated financial statements, therefore no separate consolidated financial statement of affiliated enterprises was prepared.

This declaration is solemnly made by

Company name: Tonlin Department Store Co., Ltd.

Chairman: Su Chien-I

March 27, 2025

II. Private placement of securities in 2024 until the publication date of the annual report: None

III. Other necessary supplementary Clarification: None.

IV. If any of the situations listed in the subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during 2024: None