

Stock Number: 2905

Annual Report 2025

Mercuries & Associates Holding, Ltd.

Address: No. 145, Section 2, Jianguo North Road, Taipei City
Telephone: (02) 2503-1111 (representative)

Annual Report Website:

Taiwan Stock Exchange Market Observation Post System : <https://mops.twse.com.tw>

Company Website : <http://www.mercuries.com.tw>

Printed on March 31, 2026

Spokesperson

Name: Johnson Wang

Title: Vice President

Telephone: (02) 2503-1111

Email: johnson@mercuries.com.tw

Stock Transfer Agent

Department of Stock Affairs and Transfer,
Horizon Securities Corp.

Address: 3F, No. 236, Section 4, Xinyi Road,
Taipei City

Telephone: (02) 7719-8899

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

Deputy Spokesperson

Name: TK Chin

Title: Vice President of Accounting

Telephone: (02) 2503-1111

Email: tk.chin@mercuries.com.tw

CPA

Name(s): Hsu, Kun-his , Chang , Shu-cheng

CPA Firm: BDO Taiwan

Address: 10F, No. 72, Section 2, Nanjing
East Road, Taipei City

Telephone: (02) 2564-3000

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

Address and telephone of the Company Headquarters**Headquarters**

Address: No. 145, Section 2, Jianguo North Road,
Taipei City

Telephone: (02) 2503-1111

FAX: (02) 2503-6396

Overseas Securities Exchange: None

Company Website : <http://www.mercuries.com.tw>

Table of Contents

I. Letter to Shareholders	01
II. Corporate Governance Report	09
1. Board of directors, general managers, assistant general managers, deputy assistant general managers and the supervisors of all the Company's divisions and branch units	09
2. Remuneration paid out to directors, the general managers, and assistant general managers	22
3. Implementation of corporate governance	26
4. Information on the CPA's fees	80
5. Replacement of accountants	81
6. Company's chairman, general managers, or any managerial officer in charge of finance or accounting matters who has, in the most recent year, held a position at the accounting firm of its CPA or at an affiliated enterprise	81
7. Equity transfer or changes to equity pledge of directors, managerial officers, or shareholders holding more than 10% of company shares in the most recent year to the publication date of this report	81
8. Relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree	82
9. Number of shares held and percentage of stake of investment in other companies by the company, the company's director, managerial officer, or an entity directly or indirectly controlled by the company, and calculations for the consolidated shareholding percentage of the above categories	85
III. Capital Overview	86
1. Capital and shares	86
2. Corporate bond	90
3. Preferred shares	91
4. Global depository receipt	91
5. Employee stock options	91
6. Status of restricted employee shares	91
7. Issuance of new shares in connection with the merger or acquisition of other companies	91
8. Financing Plans and Implementation	91

IV. Operational Highlights	92
1. Business activities	92
2. Market and sales overview	117
3. Information of employees for the 2 most recent years	137
4. Environmental protection expenditure	138
5. Labor relations	141
6. Information security management	148
7. Important contracts	152
V. Review of Financial Conditions, Operating Results, and Risk Management	153
1. Financial position	153
2. Financial performance	153
3. Cash flow	154
4. Major capital expenditure items	155
5. Policy on investment in other companies, main reasons for profit / losses resulting therefrom, improvement plan, and investment plans for the upcoming fiscal year	156
6. Risk analysis and assessment	157
7. Other important issues	196
VI. Special Disclosure	197
1. Affiliated compaies	197
2. Private placement securities of the most recent year up to the date of this report printed	209
3. Other items that must be included	209
VII. Any event which has a material impact on the shareholders' equity or securities prices as prescribed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that has occurred in the most recent year up to the printing date of this annual report	209
Attachment (1)	210

I. Letter to Shareholders

Mercuries Life Insurance (hereinafter "the Company") is an industrial investment holding company primarily engaged in investments in life insurance, daily necessities and catering retail, pharmaceuticals, and information services. Its long-term development strategy focuses on optimizing the operations of its invested businesses, adapting to changing market demands, and striving for a diversified, multi-market business model to achieve professional division of labor and economies of scale, thereby enhancing operational performance.

I. 2025 Business Report

(I) Outcomes of Business Plan

The Company duly executed its investment strategies after prudent evaluation while aptly utilizing the Group's resources to form joint ventures and strategic partnerships with local and overseas business partners on an ongoing basis. The outcomes of the Company's 2025 business plan for its principal investments are detailed as follows:

1. Daily commodities and F&B retailing

In the daily necessities retail segment, the Company has leveraged retail synergies and reduced operating risks through a diversification strategy. It continues to optimize its franchise model; the franchise ratio of Simple Mart had reached 36.95% by the end of 2025. By installing electronic shelf labels and leveraging their real-time price updates, it has reduced labor burden, progressively implementing dynamic pricing and precision marketing through the integration with the promotion and inventory systems. This enabled immediate responses to market changes and the issuance of price adjustments, shifting its operational decision-making from experience-driven to data-driven. The Company continues to adjust its product structures to increase sales of differentiated products such as private-label and self-imported products, thereby establishing proprietary competitive barriers. Although retail revenue for daily necessities grew by 3% in 2025, profit declined by approximately 9% due to a decrease in the gross profit margin on footwear sales and higher expenses. In the catering retail segment, the total number of stores reached 449 by the end of 2025. The Company continues to optimize store environment and equipment, standardizing in-store food preparation procedures to improve the dining environment and meal quality. By expanding the implementation of digital services such as QR-code ordering, it has improved the efficiency of meal preparation. The central kitchen has increased in-house production, raising the self-production and conversion rates. In addition to existing channels and supermarkets, frozen takeaway and ambient-temperature prepared foods were introduced into retail channels through convenience stores' proprietary e-commerce platforms. Although revenue grew by 3.3% in 2025, operating profit declined by 53% due to increases in raw material prices, labor costs, and operating expenses.

Compared to 2024, the Company added 26 new outlets to its existing retail stores, thus bringing the total number to 1,542.

2. Life insurance

Mercuries Life Insurance is influenced by shifts in the global economic environment, the implementation of the IFRS 17 accounting standard and the new Taiwan Insurance Solvency (TIS) regime, and fluctuations in interest and exchange rates. Meanwhile, hedging costs remained high. In 2025, the Company continued to promote the sale of protection-oriented and investment-oriented products, securing stable fee income, mitigating interest rate-related risks, and emphasizing the essence of insurance protection to meet customer needs. In 2025, premiums income from new insurance policies reached NT\$35.67 billion, and the total premiums income amounted to NT\$110.236 billion, ranking seventh in total.

As of the end of 2025, Mercuries Life Insurance's total assets reached NT\$1.66 trillion, an increase of approximately 2.1% compared to the end of 2024. The owners' equity stood at NT\$40.35 billion, down NT\$1.076 billion from the previous year. Net profit after tax for the period reached NT\$1.178 billion, a decrease of NT\$0.997 billion compared to 2024, and earnings per share after tax of NT\$0.20.

3. Pharmaceuticals

SCI Pharmtech Inc. has essentially restored its plant facilities and various hardware and software to pre-disaster condition, successfully passing a rigorous US FDA inspection. In 2025, the revenue from its primary products declined across the board, reflecting intense competition in the generic drug market, which exerted continued downward pressure on the selling prices of certain products and caused customer orders to fall short of expectations. Although CDMO business performed well, with the lack of the insurance claim income and foreign-exchange contributions from the previous year, combined with the expanded operating losses from its reinvestment companies, profits for the period amounted to NT\$107 million, an 80% decline compared to 2024.

4. Information services

Consolidated revenue for 2025 was NT\$6.528 billion, an increase of approximately 33.95% compared to 2024. However, costs for certain project-specific products rose due to exchange rate fluctuations, resulting in a lower gross profit margin than the previous year. Nonetheless, with prudent expense control and stable maintenance income and margins, profit for 2025 increased by 6.68% compared to 2024.

(II) Budget Implementation, Income and Expenditure, and Profitability Analysis

In 2025, the Company posted a consolidated operating revenue of NT\$160.4 billion, a decline of approximately 21% compared with 2024, primarily attributable to lower revenue in the life insurance business, with a budget achievement rate of approximately 94%. In terms of profit, the Company recorded NT\$755 million in profit attributable to the parent company and NT\$0.71 in profit after tax per share. As reported in the parent company only financial statements, the Company's return on assets and return on equity were 3.62% and 4.66% respectively.

(III) Research and Development

1. Daily commodities and F&B retailing

Faced with a highly volatile business environment and consumer demand and rising operating costs in the intensely competitive daily commodities and F&B retailing market, the Company incessantly adjusts its product

lineup and marketing strategies based on market trends and demand while constantly optimizing its digitalization efforts and bolstering management, manufacturing, logistics, and marketing using big data. In addition, the Company develops differentiated marketing campaigns for individual stores to enhance the competitiveness of each outlet and increase customer stickiness. The Company also expands into niche markets to enhance its regional competitive advantage, thereby improving its brand image as a whole.

2. Life insurance

Mercuries Life Insurance's development strategy focuses primarily on developing protection-oriented and investment-oriented products, particularly high-CSM products such as health and accident insurance. The Company launched its first spillover U.S. dollar interest-sensitive product (medical-examination type) and a new health insurance product with return-of-premium, increasing the sale of U.S. dollar products, addressing shortfalls in health insurance sales, meeting policyholders' needs at each life stage, and expanding both new and existing customer segments. It has also launched insurance technology services such as "Policy Administration/Claims Alliance Chain," "Claims Medical Connect," "Multi-Identity Verification," and "Intelligent Customer Service." Additionally, through an app system upgrade project, it optimized the user interface and operational processes to address user pain points. In the future, the Company will continue to treat customers fairly, strengthen service quality, and try to surpass customer expectations regarding four indicators, i.e., convenience, accuracy, promptness, and satisfaction.

3. Pharmaceuticals

The Company continues to invest in the development of CDMO and in-house products, accumulating transformation momentum and demonstrating increasingly mature process development capabilities. The immunotherapy drug intermediate, Project A, was put into commercial production, and the narcolepsy drug candidate, Project X, and the oncology drug intermediate, Project N, progressed on schedule. For proprietary products, with the isotope drug Project B successfully overcoming technical barriers, the Company is pursuing a global patent portfolio by using an exclusive production process to avoid patent barriers. It has also strengthened cost competitiveness by optimizing the production processes of Adenine and BISO-FA. The newly introduced Iron Sucrose and the ADHD medication were expected to begin validation in Q1 2026. Through technological upgrades, operational resilience was strengthened, returning the company to a growth trajectory.

4. Information services

Mercuries Data Systems Ltd. (MDS) continues to turn its R&D achievements into patents to protect intellectual property, enabling the Company to actively accumulate competitive advantage while raising the competitive threshold as well.

II. Overview of 2026 Business Plan

(I) Operating Objectives

By focusing on core operations, strengthening capital structure, prioritizing regulatory compliance, and managing risks, we regularly identify and mitigate risk indicators. Diversified operations reduce investment risks,

while integrating the operational expertise of our business units and extending collaboration with domestic and international partners allows us to prudently assess investment strategies, aiming to expand our business footprint and enhance company value.

(II) Key Production and Distribution Policies

1. Daily commodities and F&B retailing

Beyond opening new stores to achieve economies of scale, reduce procurement costs, and sustain growth momentum, we also periodically closed underperforming outlets. We are refining our product mix by phasing out low-performing items, increasing inventory turnover, and introducing higher-margin imported goods and private-label products to differentiate in the market. Increasing franchise ratios helps reduce labor and rental costs, while enhancing staff professionalism and approachability creates a premium consumer environment. Building on the optimization of SAP, RPA, and BI systems, we have installed electronic shelf labels, shifting operational decision-making from experience-driven to data-driven, reducing paper waste, contributing to the sustainability, simplifying store operations and enabling flexible promotional and pricing strategy and pricing. In the catering sector, we continue to pursue stable multi-brand development strategy and actively open new stores to expand market share, improving single-store operational efficiency and optimizing product structure as well as brand characteristics to address challenges. We have collaborated closely with convenience stores and retail channels to develop a wider variety of takeaway products, and revenues are expected to continue to grow. By combining the in-house production capacity of the central kitchen, we have improved management efficiency and profitability, continually refining our quality and service to gain consumer recognition and trust. Through a diverse brand portfolio and product diversity, we attract customers via various marketing media. Our cross-industry product projects and collaborations with films, mobile games, sporting events, and other industries have brought attention to our brands and products. We have also promoted charitable collaborations such as the suspended meal program and cooking volunteering in remote areas, helping disadvantaged groups, giving back to society, and fulfilling Corporate Social Responsibility. To achieve sustained revenue growth, we continue to advance local agricultural cooperation to enhance regional revitalization efficiency, brand image, and penetration rate.

2. Life insurance

Faced with the operational challenges and opportunities arising from the alignment with IFRS 17 accounting standards and the new Taiwan Insurance Solvency (TIS) regime, we shifted toward “value-oriented” and “capital-oriented” production and sales strategy. For finance, we will implement rigorous Asset-Liability Management (ALM), enrich our capital, strengthen our risk and solvency capacity, and adjust our investment allocation to reduce the impact of market volatility on net assets. As for products, we will actively promote protection-oriented and investment-oriented products with high-CSM, strengthen stable revenue sources such as mortality gains and loading surplus, and combine digital transformation and differentiated services to enhance market competitiveness. To reinforce operational resilience and create long-term operating value for shareholders, we will continue to optimize our profit

structure, shifting the emphasis from scale growth to long-term quality-driven profitability. Moreover, we are actively advancing ESG initiatives, implementing responsible investment, strengthening climate risk management, and promoting net-zero transformation. Talent development is integrated into our sustainable business strategy, with internal training and digital skill enhancement ensuring our competitive edge in the market.

On January 23, 2026, the special shareholders meeting of Mercuries Life Insurance approved a share swap to become a wholly-owned subsidiary of E.SUN Financial Holding Co. The deal was expected to fill Mercuries Life Insurance's capital shortfall and introduce additional resources, enabling continued expansion of its business scale and increasing profitability. The Company also expected that, upon completion of the share swap, shares in Mercuries Life Insurance will be converted into shares of E.SUN Financial Holding Co (2884), contributing to the Company's profit stability and cash flows in the long term.

3. Pharmaceuticals

The operating objectives for the Company's pharmaceutical business are listed as follows:

- (1) Maintain a close relationship with customers and establish business relationships with original medicine developers.
- (2) Diversify production sites, maintain operational flexibility, and develop the contract development and manufacturing company (CDMO) business model.
- (3) Promote circular economy, prioritizing energy conservation and waste reduction to contribute to global sustainability.

The Company's product-specific and client-specific policies on production and distribution are presented as follows:

- (1) Active pharmaceutical ingredients (APIs): Priority will be given to APIs produced by original developers in the medicine supply. Popular products should be avoided, while existing APIs with higher safety criteria, stable sales, new uses or new dosage forms, that are involved in the R&D of new drugs, or that can be used as starting materials for new drugs will be included in the lineup.
- (2) Intermediates: In principle, intermediates produced by original developers in the medicine supply will first be chosen, followed by intermediates for controlled medicines with high barriers to entry, key intermediates which are subject to strict regulations or quality management procedures, intermediates related to SCI Pharmtech's core technologies, intermediates from the Company's strategic partners, and intermediates involved in the R&D of new drugs. The aforementioned types of intermediates can help effectively segregate SCI Pharmtech from market competition and avoid price wars.
- (3) Specialty chemicals: SCI Pharmtech produces and distributes electronic specialty chemicals that are of high standards in the pharmaceutical industry. It develops the production process for specialty chemicals, as well as customizes and mass-produces them according to customer requirements.

4. Information services

Adopting a customer-oriented approach, MDS carefully selects and undertakes large-scale public construction projects that generate substantial revenue from high-margin maintenance services and create related business

opportunities subsequently. Furthermore, MDS continuously expands into new businesses to create differentiation value, and improves its software development capabilities, thus demonstrating its commitment to product development while increasing its competitiveness in the market.

III. Effects of External Competition, the Regulatory Environment, and the Economic Environment

(I) Effect of External Competition

With the widespread adoption of the internet and artificial intelligence, management, marketing, manufacturing, logistics, sales, payment systems, and R&D across industries are profoundly impacted by digitalization and cybersecurity. Across sectors like insurance, pharmaceuticals, consumer goods, food retail, and IT services, companies must offer differentiated products and high-quality, rapid services to meet rapidly changing industry structures. Facing dynamic market competition, labor shortages, inflationary pressures, and shifting consumer behaviors, we must identify and assess risks that could affect operations. Beyond implementing effective countermeasures to minimize adverse impacts, we aim to seize opportunities, expand business prospects, and mitigate the effects of external competitive pressures.

For insurance market performance, total premiums income showed steady growth. Benefitting from the bullish trend in the global financial market, investment-oriented products maintained strong momentum. Protection-oriented products, amid population ageing and rising risk awareness, became the primary product for companies to optimize CSM (Contractual Service Margin). Interest-sensitive products, in response to the global interest rate environment entering a new cycle, saw life insurers actively adjust declared interest rates and optimize asset allocation to maintain product competitiveness in the market.

In pharmaceutical industry, after years of large-scale capital investment and capacity expansion, Chinese pharmaceutical companies faced a severe problem of excess capacity, which forced them to channel surplus capacity into the international market, placing substantial downward pressure on the prices of global active pharmaceutical ingredient and intermediate. In 2025, the selling prices of certain products in turn suffered an adverse impact. This irrational competition mode prompted vigilance and countermeasures from various countries; the United States, for example, passed the BIOSECURE Act that explicitly restricted federal funding for collaborations with certain Chinese biotech companies. SCI Pharmtech Inc., through high-valued CDMO business, effectively created market segmentation to address this excessive competition.

(II) Effect of the Regulatory Environment

The subjects of increasing corporate social responsibility, raising employee awareness, environmental protection, food safety, and corporate governance have become more and more important in today's rapidly developing and ever-changing society. In 2026, with the IFRS 17 accounting standard taking effect, financial reporting standards require adjustments and internal systems are strengthened to comply with the new requirements. At the same time, Financial Supervisory Commission released the new TIS regime, requiring improvements in capital adequacy and risk management capabilities in tandem, prompting business operators to optimize assets allocation and product structures. In sustainable finance, the "Green and Transition Finance Action Plan 4.0" and the IFRS S1 and S2 disclosure standards were implemented

successively, requiring the finance and insurance industry to internalize ESG strategy as the core of investment decision-making and information disclosure, strengthen climate risk management, and enhance communication of sustainability performance in order to address supervisory trends and opportunities arising from market transformation.

The pharmaceutical industry has been confronted with the implementation of carbon taxes or fees, which has constituted the most significant regulatory impact. In 2025, the Taiwanese government implemented a carbon fee system, requiring high-emission industries to disclose their greenhouse gas inventories and pay for the corresponding carbon prices. The European Union also implemented the Carbon Border Adjustment Mechanism (CBAM) in 2026, imposing a carbon price on certain products exported to the European Union. The aforementioned regulations imposed higher requirements on energy consumption in production process, carbon management, and supply chain transparency. SCI Pharmtech Inc. continues to monitor relevant regulatory developments as an important reference for optimizing operation and production process, and planning carbon reduction strategy.

As for retail of daily commodities and food, besides regulations concerning the familiar food sanitation and safety or workplace fire safety inspections getting more stringent, matters relating to workplace sanitation and safety, consumer health and safety, site waste and wastewater disposal, greenhouse gas emission, and energy conservation and carbon reduction have also become important topics for businesses.

All businesses of the Company have retained personnel knowledgeable in the pertinent areas of the laws. In addition to the routine handling of legal affairs and monitoring compliance with regulations, our legal affairs personnel also continually pay close attention to changes in government policies or regulations which might potentially affect the Company's finance or operations. We also regularly consult external legal professionals and reinforce compliance with governing legal standards through OTJ training to continue to enhance total quality management.

(III) Effect of the Macroeconomic Environment

Looking back at 2025, the International Monetary Fund's "World Economic Outlook" report estimated global economic growth at 3.3%. It also highlighted that the global economy has demonstrated unexpected resilience. Despite trade tensions and geopolitical turmoil, overall performance remained "steady." On the one hand, surging investment related to Artificial Intelligence (AI) and the boom in technology sectors provided a strong boost to the economy, particularly in North America and Asia. On the other hand, shifting trade policies and geopolitical tensions constituted significant headwinds. Although the effects of trade disruptions in 2025 had gradually been offset, risks remained tilted to the "downside," continuing to pose uncertainties for future economic development. According to the February 2026 statistics from the Directorate-General of Budget, Accounting and Statistics, Taiwan's preliminary estimated economic growth rate for 2025 was 8.68%, higher than the 5.27% in 2024. According to statistics from the Ministry of Economic Affairs indicated that the growth rates for retail sales of general merchandise and the food & beverage retail in 2025 were 3% and 2.86%, respectively.

Looking ahead to 2026, the International Monetary Fund's January 2026 forecast projects global economy growth at 3.3%, essentially unchanged from the 3.3% estimated for 2025. The Directorate-General of Budget, Accounting

and Statistics' February 2026 forecast estimates Taiwan's economic growth for 2026 at 7.71%, lower than the preliminary 8.68% for 2025.

IV. Future Development Strategies

The Company has grown its principal businesses for more than 30 years. To grow its businesses steadily, the Company has actively adopted an innovative mindset and implemented innovative approaches to reduce operating risks. With a highly professional management team at the helm, the Company not only provides a wide array of services that meet the needs of society in relation to food, clothing, housing, transportation, education, and entertainment, but also endeavors to enhance the value of our brand as the provider of an enjoyable consumption environment for the population at large.

In that spirit, the Company will continue to integrate resources within the Group, uphold the core value of carefully evaluating investment strategies, as well as pursue investment opportunities under cross-industry partnerships and any possibilities for novel investment projects. At the same time, the Company strives to expand its businesses through vertical integration and diversification while assisting its subsidiaries in resource integration, so as to achieve business synergy, scale up its business operations, and maximize shareholder wealth. In addition, the Company will carry on fulfilling corporate social responsibility and realizing corporate sustainability in a proactive manner. Last but not least, the Company would like to express its utmost appreciation to all shareholders for their unwavering care and support.

Chairman and General Manager: Chen, Shiang-L

Chief Accountant: Chen, Te-Kai

II. Corporate Governance Report

1. Board of directors, independent directors, general managers, assistant general managers, deputy assistant general managers and the supervisors of all the Company's divisions and branch units.

(1) Directors and Independent Directors

April 19, 2026

Title	Nationality or place of registration	Name	Gender Age	Date of appointment	Length of term	Date of first appointment	Shares held when elected (*shares held by the individual and percentage of shares held)		Shares currently held (*shares held by the individual and percentage of shares held)		Shares held by spouse or minor children		Shares held in the name of other persons		Major experience / academic background Note (3)	Positions currently assumed in this company or other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship		
							Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares			Title	Name	Relations
Chairman	Republic of China	Chen, Shiang-Li	Male 61	2024.06.21	3 years	2000.05.26	25,337,407	2.26%	25,337,407	2.28%	0	0%	0	0%	MBA, Georgetown University. General Manager of Mercuries & Associates Holding, Ltd..	Chairman of Mercuries General Media Inc., Mercuries Leisure Co., Ltd., Shanghong Investment Co., Ltd., Director of Mercuries & Associates, Ltd., Mercuries Data Systems Ltd., SCI Pharmtech Inc., Mercuries Life Insurance Co., Ltd., Simple Mart Retail Co. Ltd., Mercuries F&B Co., Ltd., Shanglin Investment Co., Ltd., Mercuries Liquor & Food Co., Ltd., Simple Mart Plus Co., Ltd., Simple Mart Investment Co., Ltd., Lai Lai Convenience Stores Company, Foundation for Taiwan Masters Golf Tournament and Foundation of Chinese Dietary Culture. Executive director of the R.O.C Taiwan Teeball Association. Member of Risk Management Committee of Mercuries Life Insurance Co., Ltd.. Member and convener of the company's Sustainable Development Committee. General Manager of the Company.	Director	Chen, Shiang-Chung, Chen, Shiang-Feng	Male sibling

Title	Nationality or place of registration	Name	Gender Age	Date of appointment	Length of term	Date of first appointment	Shares held when elected (*shares held by the individual and percentage of shares held)		Shares currently held (*shares held by the individual and percentage of shares held)		Shares held by spouse or minor children		Shares held in the name of other persons		Major experience / academic background Note (3)	Positions currently assumed in this company or other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship		
							Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares			Title	Name	Relations
Director	Republic of China	Representative of Shanglin Investment Co., Ltd.: Chen, Shiang-Chung	Male 59	2024.06.21	3 years	2014.01.15	202,867,944 *18,014,257	18.07% *1.60%	202,867,944 *18,014,257	18.27% *1.62%	1,012,805	0.09%	0	0%	Bachelor of Industrial Engineering, Purdue University. Departmental chief of Walsin Lihwa Corporation.	Chairman & General Manager of Mercuries Data Systems Ltd.. Chairman of Mercuries Life Insurance Agency Co. Ltd. and Mercuries Soft (Nanjing) Ltd.. Director of Mercuries Information Systems Internation Co., Ltd., Shanglin Investment Co., Ltd., Shanghong Investment Co., Ltd., EASYCARD CORPORATION, Yangzheng Investment Co., Ltd. and Sinox Co. LTD.. Independent director, Member of Audit Committee, Member of Remuneration Committee of My Humble House Hospitality Management Consulting Co., Ltd.. Chairman of the Police Friends Association of the Republic of China Police Friends Association, Security Police Third Corps.. Vice Chairman of The Association for the Criminal Defense of the Republic of China. Director of Association of Friends of the Police of the Republic of China.	Chairman, Director	Chen, Shiang-Li, Chen, Shiang-Feng	Male sibling

Title	Nationality or place of registration	Name	Gender Age	Date of appointment	Length of term	Date of first appointment	Shares held when elected (*shares held by the individual and percentage of shares held)		Shares currently held (*shares held by the individual and percentage of shares held)		Shares held by spouse or minor children		Shares held in the name of other persons		Major experience / academic background Note (3)	Positions currently assumed in this company or other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship		
							Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares			Title	Name	Relations
Director	Republic of China	Representative of Shuren Investment Co., Ltd. Wong, Wei-Chyun	Male 64	2024.06.21	3 years	2005.06.11	144,195,087 * 6,760,998	12.85% * 0.60%	145,095,087 *6,760,998	13.07% * 0.61%	126,026	0.01%	0	0%	Ph.D. in Chemistry, University of Pennsylvania. General Manager of SCI Pharmtech Inc..	Chairman of SCI Pharmtech, Shuren Investment Co., Ltd. , Shufeng Investment Co., Ltd. and Shui-Mu Foundation of Chemistry. Chairman and General Manager of Yushan Pharmaceuticals Inc.. Director of Mercuries Life Insurance Co., Mercuries F&B Co., Ltd., Shurong Co., Ltd., Framosa Co., Ltd., Energenesis Biomedical Co., Ltd., Foundation for Taiwan Masters Golf Tournament and The Kaohsiung City Garden of Hope Foundation. Director of The Association for the Criminal Defense of the Republic of China.	Director	Wong, Tsui-Chun	Brother and sister
Director	Republic of China	Representative of Shuren Investment Co., Ltd.: Cheng, I-Teng Note(3)	Male 64	2024.06.21	3 years	2018.06.22	144,195,087 *0	12.85% * 0.62%	145,095,087 *0	13.07% *0%	2,757	0. %	0	0%	Bachelor of Banking, National Chengchi University. Director and general manager of First Worldsec Securities (Hong Kong). Consultant at Horizon Securities. Senior Vice President of Department of Capital Market, Horizon Securities. Director of Hongyuan Securities Investment Consulting Co., Ltd.. Director and general manager of Horizon Securities (Hong Kong). Vice General Manager of Lianghua Guigu Touzi Guanli Co., Ltd. (Ningbo).	Director of Dynacard Co., Ltd. and Sunhawk Vision Biotech, Inc.. Supervisor of Xubao Technology (Shanghai) Co., Ltd.	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date of appointment	Length of term	Date of first appointment	Shares held when elected (*shares held by the individual and percentage of shares held)		Shares currently held (*shares held by the individual and percentage of shares held)		Shares held by spouse or minor children		Shares held in the name of other persons		Major experience / academic background Note (3)	Positions currently assumed in this company or other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship		
							Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares			Title	Name	Relations
Director	Republic of China	Representative of Shuren Investment Co., Ltd.: Wong Tsui-Chun Note(3)	Female 63	2024.06.21	3 years	2018.06.22	144,195,087 *7,576,800	12.85% * 0.68%	145,095,087 *7,576,800	13.07% *0.68%	0	0. %	0	0%	City University of New York, Baruch College MBA. Vice Chairman of Mercuries Life Insurance Co., Ltd.. Chief Financial Officer of Eastspring Securities Investment Trust Co. Ltd.. Assistant Manager of BNP Paribas Taipei Branch.	Chairman of Shurong Co., Ltd.. Director of Shuren Investment Co., Ltd. and Shufeng Investment Co., Ltd. and Simple Mart Retail Co., Ltd.	Director	Wong, Wei-Chyun	Brother and sister
Director	Republic of China	Representative of Shangjin Investment Co., Ltd.: Chen, Shiang-Feng	Male 55	2024.06.21	3 years	2007.12.26 Note(2)	202,867,944 *17,393,810	18.07% * 1.55%	202,867,944 *17,393,810	18.27% *1.57%	693,349	0.06%	0	0%	Master of Science and Engineering, Cornell University, USA.	Chairman of Mercuries & Associates, Ltd., Mercuries F&B Co., Ltd., Mercuries Furniture Co., Ltd., M.T. I. CIGARS CO., LTD., Simple Mart Co., Ltd., Simple Mart Plus Co., Ltd., Mercuries Liquor & Food Co., Ltd., Mercuries F&B Consulting Co., Ltd., Mercuries Harvest Co., Ltd., Sanor Co., Ltd., Shang Rih Co., Ltd., Simple Mart Investment Co., Ltd. and Mercuries Social Welfare And Charity Foundation, Taoyuan County. Director of Mercuries General Media, Inc., Mercuries Leisure Co., Ltd. , Shanghong Investment Co., Ltd., Sanhui Co., Ltd., Lai Lai Convenience Stores Company and Foundation for Taiwan Masters Golf Tournament. President of the Taiwan Chain and Franchise Association. Director of The Association for the Criminal Defense of the Republic of China. Independent director of Silicon Motion Technology Corporation(USA). General Manager of Mercuries F&B Co., Ltd..	Chairman, Director	Chen, Shiang-Li, Chen, Shiang-Chung	Male sibling

Title	Nationality or place of registration	Name	Gender Age	Date of appointment	Length of term	Date of first appointment	Shares held when elected (*shares held by the individual and percentage of shares held)		Shares currently held (*shares held by the individual and percentage of shares held)		Shares held by spouse or minor children		Shares held in the name of other persons		Major experience / academic background Note (3)	Positions currently assumed in this company or other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship		
							Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares			Title	Name	Relations
Director	Republic of China	Representative of Mega Prosper Investment Limited: Lee, Jian-Hsiung	Male 65	2024.06.21	3 years	2024.06.21	112,000,000 *0	9.98% *0%	112,000,000 *0	10.09% *0%	0	0%	0	0%	Master of Information Science from Dartmouth College. Deputy General Manager of Bankers Trust. Vice President of Finance, Taiwan Mobile (Taiwan Telecom Group). Chief Financial Officer of CP Group (Telecom Indonesia).	Chairman of Mega Prosper Investment Limited, OAK Capital Group and DenseLight Semiconductor Pte Ltd.	-	-	-
Independent director	Republic of China	Lee, Mao	Male 82	2024.06.21	3 years	2015.06.24	0	0%	0	0%	0	0%	0	0%	Master in China Studies, Tamkang University. Director General & Vice Director General, Customs Administration, Ministry of Finance. Director General & Vice Director General, Taipei Customs. Vice Director General, Keelung Customs. Associate Professor, Chihlee University of Technology. Assistant Professor, National Taichung University of Science and Technology. Member and Chairman of Remuneration Committee, Taiwan Cooperative Financial Holding Co., Ltd.. Independent Director, Taiwan Cooperative Bank, Ltd.. Member and Chairman of Remuneration Committee, Taiwan Cooperative Bank, Ltd.. Member of the Board of Examiners for the 2006 and 2008 Professional and Technical Examinations.	Chairman of Allter Technology Co., Ltd.. Director of Pan German Universal Motors Ltd.. Independent director of Farglory Free Trade Zone Investment Holding Co., Ltd.. Member & Chairman of Audit Committee and Remuneration Committee of the Company.	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date of appointment	Length of term	Date of first appointment	Shares held when elected (*shares held by the individual and percentage of shares held)		Shares currently held (*shares held by the individual and percentage of shares held)		Shares held by spouse or minor children		Shares held in the name of other persons		Major experience / academic background Note (3)	Positions currently assumed in this company or other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship		
							Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares			Title	Name	Relations
Independent Director	Republic of China	Tzeng, Yu-Chiang	Female 73	2024.06.21	3 years	2024.06.21	0	0%	0	0%	0	0%	0	0%	Bachelor of Banking and Insurance, Feng Chia University. Director of the Insurance Bureau of the Financial Supervisory Commission. Chairman of the Corporate Insurance Development Center. Part-time associate professor level professional and technical personnel at Ming Chuan University. Supervisor of SSU-TE Enterprise Co., Ltd.. Part-time associate professor level professional and technical personnel at Soochow University. Director of Residential Earthquake Insurance Fund. Member of the Management Committee of the Insurance Business Development Foundation.	Part-time associate professor level professional and technical personnel at Ming Chuan University. Supervisor of SSU-TE Enterprise Co., Ltd.. Member of Audit Committee and Remuneration Committee of the Company.	-	-	-
Independent director	Republic of China	Liu, Po-Liang	Male 69	2024.06.21	3 years	2024.06.21	0	0%	0	0%	0	0%	0	0%	Master's degree from the Institute of Mainland China, Chinese Culture University. Vice Director of the Police Department of the Ministry of Interior. Chief of the Kaohsiung City Government Police Department. Chief of Criminal Investigation Bureau.	Chairman of Quan'an Technology Property Co., Ltd.. Vice Chairman of Kee Tai Properties Co., Ltd.. Independent director of Quang Viet Enterprise Co., Ltd.. Director of Jarlytec Co., Ltd., Tatung Asset Development Company and Ksolar Co., Ltd.. Member of Audit Committee and Remuneration Committee of the Company.	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date of appointment	Length of term	Date of first appointment	Shares held when elected (*shares held by the individual and percentage of shares held)		Shares currently held (*shares held by the individual and percentage of shares held)		Shares held by spouse or minor children		Shares held in the name of other persons		Major experience / academic background Note (3)	Positions currently assumed in this company or other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship		
							Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares			Title	Name	Relations
Independent director	Republic of China	Chao, Yuan-Chi	Male 77	2024.06.21	3 years	2024.06.21	0	0%	0	0%	0	0%	0	0%	Master of Finance from New York University Director/Supervisor of Mercuries Data Systems Ltd. Independent Director of Taipei Fubon Commercial Bank. Acting Chairman and General Manager of First Financial Holdings Co., Ltd. and First Commercial Bank Chairman of Concord Asia Finance Ltd.. Independent Director of Primasia Securities Company Limited. Director of Key Ware Electronics Co., Ltd., Taiwan Microloops Corp., Zhengqi Investment Co., Ltd., East Asia Real Estate Management Company, Shsngai Village Culinary Co., Ltd., Tai'an Green Boat Co., Ltd., Dayu Optoelectronics Co., Ltd., Hanyou Investment Consulting Co., Ltd. And Tunghai University. Supervisor of Everlance Co., Ltd. and Heng Lang Co., Ltd.. General Manager of Chengda Financial Management Consulting Co., Ltd.. Member of Audit Committee and Remuneration Committee of the Company.	-	-	-	

Note (1) : Currently, the Chairman and the President are served by the same person. The chairman served as the director of the former president's office of the company in 1998. He has been involved in the company's operation and management for more than 20 years. He is familiar with and has a good grasp of the company's investment business. Either experience, professional knowledge, or ability, he is competent and qualified. More than half of the company's directors do not concurrently serve as employees or managers, and there are four independent director seats on the board of directors.

Note (2) : Director Chen, Shiang-Feng resigned as a director on December 31, 2013, and was re-elected as a director on August 13, 2024.

Note (3) : On March 4, 2026, Shuren Investment Co., Ltd. appointed Wong, Tsui-Chun as its legal representative, replacing the original legal representative Cheng, I-Teng.

Note (4) : No member of the board of directors has ever served in the company's auditing accounting firm.

(2) Major shareholders of the institutional shareholders

March 31, 2026

Name of the institutional shareholders	Major shareholders of the institutional shareholders	Shareholding percentage
Shanglin Investment Co., Ltd.	Chen, Shiang-Li	31.41%
	Chen, Shiang-Chieh	17.67%
	Chen, Shiang-Feng	17.67%
	Hsu, Chang-Hui	6.37%
	Chen, Shiang-Chung	13.54%
	Shanghong Investment Co., Ltd.	8.21%
	Wang, Te-Pin	5.13%
Shuren Investment Co., Ltd.	Wong, Wei-Chyun	27.89%
	Wong, Tsui-Chun	24.70%
	Shufeng Investment Co., Ltd.	15.39%
	Wong, Chau-Shi	14.39%
	Wong, I-Hsuan	17.55%
	Yang, Chun-Hui	0.06%
	Yang, Hsueh-Hui	0.02%
Mega Prosper Investment Limited	Mega Prosper International Limited (British Virgin Islands)	100.00%

Major shareholders of institutional shareholders who are major shareholders listed in the previous list

March 31, 2026

Name of the institutional shareholders	Major shareholders of the institutional shareholders	Shareholding percentage
Shanghong Investment Co., Ltd.	Chen, Shiang-Li	21.74%
	Shanglin Investment Co., Ltd.	32.61%
	Chen, Shiang-Chieh	13.48%
	Chen, Shiang-Feng	13.48%
	Chen, Shiang-Chung	9.56%
	Hsu, Chang-Hui	5.22%
	Wang, Te-Pin	3.91%
Shufeng Investment Co., Ltd.	Shuren Investment Co., Ltd.	67.95%
	Wong, Chau-Shi	14.62%
	Wong, Wei-Chyun	8.20%
	Wong, Tsui-Chun	8.20%
	Yang, Chun-Hui	0.46%
	Yang, Hsueh-Hui	0.26%
	Wong, I-Hsuan	0.26%
	Chen, Shiang-Feng	0.05%
Mega Prosper International Limited (British Virgin Islands)	Lee, Jiann-Hsiung	100.00%

(3) Information on Directors

A. Professional qualifications of Directors and independence information disclosure of Independent Directors:

March 31, 2026

Name Condition	Professional qualifications and experience	Independence	Currently serving as the independent director of other public companies
Director			
Chen, Shiang-Li (Note 1)	Since 1998, he has been the former President's Chief of Staff of the Company. He has been involved in the management of the Company for more than 20 years. As general manager of First Worldsec Securities, chairman of First Venture Capital, and current directors of subsidiary of the Company, Mercuries Life Insurance, Mercuries Fu Bao Ltd., Mercuries Liquor & Food Co., Ltd, Simple Mart Retail Co., Ltd, Mercuries Data Systems Ltd, SCI Pharmtech, Inc., and Mercuries F&B, etc. He has rich experience in corporate operations and has served as a director of the Company since May, 1997, and has reinvested in each of the Company's investments. He is familiar with and proficient in Business operation management, and his insurance professional qualifications are approved by the Financial Supervisory Commission FSCIB No. 10502137360 on December 16, 2016 approved.	-	0
Chen, Shiang-Chung (Note 1)	More than 20 years of work experience in business and business sector, specializing in business information service industry, in 2002 He has served as Chairman of the Board of Directors of Mercuries Data Systems Ltd., and he is currently an independent director of My Humble House Hospitality Management Consulting Co., Ltd. and TECO Electric & Machinery Co. Ltd.	-	1
Wong, Wei-Chyun (Note 1)	He holds a Ph.D in Chemistry, University of Pennsylvania, USA, and has worked as a researcher at Industrial Technology Research Institute, and he has served an Assistant General Manager and General Manager and Assistant Manager of the subsidiary SCI Pharmtech, Inc. with decades of experience in the pharmaceutical industry, leadership decision-making and operational management, currently serving as chairman of the subsidiary SCI Pharmtech, Inc.	-	0
Cheng, I-teng (Note 1)	With more than 20 years of experience of experience in business and corporate operations, specializing in investment business, and having served as Director and General Manager of First Worldsec Securities (Hong Kong), Senior Vice President of Department of Capital Market in Horizon Securities Director, Horizon SICE, and Director and General Manager of Horizon Securities (Hong Kong).	-	0
Wong, Tsui-Chun (Note 1)	With more than 20 years of experience of experience in business and corporate operations, specializing in finance, banking, and investment. Previously served as Vice Chairman of Mercuries Life Insurance Co., Ltd., Chief Financial Officer of Eastspring Securities Investment Trust Co. Ltd. and Assistant Manager of BNP Paribas Taipei Branch.	-	0
Chen, Shiang-Feng (Note 1)	More than 10 years of work experience in business and business sector, specializing in consumer products and food and beverage retail business, currently serves as Chairman of the subsidiary Simple Mart Retail Co., Ltd, and Mercuries F&B Co., Ltd, and also serves as the Independent Director in Silicon Motion Technology Corporation.	-	1 (Note 3)

Condition Name	Professional qualifications and experience	Independence	Currently serving as the independent director of other public companies
Lee, Jiann-Hsiung (Note 1)	With more than 20 years of experience in business and business sector, specializing in finance and investment business, and having served as the deputy general manager of Bankers Trust, and currently serves as the Chairman of Mega Prosper Investment Limited.	-	0
Independent director			
Lee, Mao (Note 1)	He previously served as Director General & Vice Director General of the Customs Administration in Ministry of Finance, and Director General of Taipei Customs Bureau of the Ministry of Finance Vice Director of the Keelung Customs Bureau of the Ministry of Finance and independent director of Cooperative Treasury Commercial Bank (Stock) Co., Ltd., with extensive experience with tax finance. Currently serving as the chairman of Allter Technology Co., Ltd. and the director of Pan German Universal Motors Ltd., and independent director of Farglory Free Trade Zone	(Note 2)	1
Tzeng, Yu-Chiung (Note 1)	She holds a degree in Banking and Insurance from Feng Chia University and specializes in insurance business and insurance regulations. She has served as Director of the Insurance Bureau of the Financial Supervisory Commission and Chairman of the Insurance Business Development Center of the Financial Institution. She has leadership management, decision-making and crisis management capabilities.	(Note 2)	0
Liu, Po-Liang (Note 1)	He once served as Deputy Director of the Police Department of the Ministry of Interior, Chief of the Kaohsiung City Government Police Department and Chief of the Criminal Investigation Bureau. He has leadership management, decision-making and crisis management capabilities. He currently serves as the Chairman of Quan'an Technology Property Co., Ltd., Vice Chairman of Kee Tai Properties Co., Ltd., Independent Director of Quang Viet Enterprise Co., Ltd., Director of Jarllytec Co., Ltd., Tatung Asset Development Company and Ksolar Co., Ltd., familiar with the governance and operation management of the industry.	(Note 2)	1
Chao, Yuan-Chi (Note 1)	He holds a master's degree in finance from New York University and specializes in finance and investment fields. He has served as Director/Supervisor of Mercuries Data Systems Ltd., Independent Director of Taipei Fubon Commercial Bank, and Acting Chairman and General Manager of First Financial Holdings Co., Ltd. and First Commercial Bank, familiar with corporate governance and operation management.	(Note 2)	1

Note 1: The information has been regularly reviewed and none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.

Note 2: The independent directors have not had any of the following relevant conditions during the two years prior to their election and during their term of office:

- (1) Serve as a director, supervisor or employee of the Company or the Company's affiliated enterprises and certain affiliated companies with the Company.
- (2) Spouses, relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or companies which the Company is affiliated.
- (3) A natural person shareholder who holds more than 1% of issued shares or is ranked top 10 in terms of the total quantity of shares held, including the shares held in the name of the person's spouse, minor children, or in the name of others.
- (4) Employed in the provision of the Company or any affiliate of the Company in commercial, legal, financial, accounting and related services.
- (5) Remuneration obtained by providing commercial, legal, financial, accounting and other services related to the Company or any affiliate of the Company.

Note 3: Serves as an independent director of a U.S. company and does not serve as an independent director of a domestic public company.

B. Board Diversity and Independence:

a. Diversity of the Board of Directors:

The professional qualifications and selection requirements of the directors and independent directors of the Company shall be in accordance with the Company Law, the Methods for the Establishment of Independent Directors of Public Offering Companies, and the Company has established the Method for the Selection of Directors, which regulates the selection of directors, shall consider the overall configuration of the board of directors, the composition of the board of directors shall consider diversification, and the appropriate diversification policy shall be formulated for the operation, operating model and development needs, and shall include but not be limited to the following four broadly oriented criteria:

- (1) Basic qualification and value: gender, age, nationality, and culture, etc., including at least one female director, and those with employee status shall not exceed one-third of the director seats.
- (2) Professional knowledge and skills: a professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. The company is an industrial holding company. At present, important industries currently include life insurance, daily commodities and F&B retail, pharmaceutical industry and information services. Each industry should have at least one director member, and at least one independent director must have financial accounting expertise.
- (3) Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
 - a. Business judgment ability.
 - b. Accounting and financial analysis ability.
 - c. Business management ability.
 - d. Crisis management ability.
 - e. Knowledge of the industry.
 - f. The ability to understand international markets.
 - g. Leadership.
 - h. Decision-making ability.
- (4) More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The Company's diversification policy is as follows:

Director	Business management/ Judgment ability	Leadership/ Decision-Making	Crisis Management Capacity	International market perspective	International market perspective	Finance and Accounting	Employees of the company and affiliated companies
Chen, Shiang-Li	V	V	V	V	Investment, Life Insurance, and Retail of Daily Commodities and Food		Yes
Chen, Shiang-Chung	V	V	V	V	Information Services		Yes
Wong, Wei-Chyun	V	V	V	V	Pharmaceutical		Yes
Cheng, I-teng	V	V	V	V	Tax and Investment	V	No
Wong, Tsui-Chun	V	V	V	V	Finance, Banking, and Investment.	V	No
Chen, Shiang-Feng	V	V	V	V	Retail of Daily Commodities and Food		Yes
Lee, Jiann-Hsiung	V	V	V	V	Finance and Investment	V	No
Lee, Mao	V	V	V	V	Tax and Finance	V	No
Tzeng, Yu-Chiung	V	V	V	V	Life Insurance		No
Liu, Po-Liang	V	V	V	V	Real estate and investment		No
Chao, Yuan-Chi	V	V	V	V	Finance and Technology	V	No

From the review of the implementation of the above-mentioned director diversity policy, it can be seen that the company's current board of directors complies with the board diversity policy, except that more than one-third of the company's board of directors are employee directors, which does not meet the regulations.

b. Independence of the Board of Directors:

If there are 4 independent directors accounting for 40%, and the directors are spouses or relatives within the second degree, there are no circumstances specified in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(4) General Managers, assistant general managers, deputy assistant general managers, and the supervisors of all the Company's divisions and branch units.

April 19 2026

Title	Nationality	Name	Gender	Date of appointment	Shares held		Shares held by spouse or minor children		Shares held in the name of other persons		Major experience / academic background	Positions currently assumed in the Company	Any managerial officer who is a spouse or a relative within the second degree of kinship		
					Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares			Title	Name	Relations
General Manager	Republic of China	Chen, Shiang-Li	Male	Dec. 14, 2004	25,337,407	2.26%	0	0%	0	0%	MBA, Georgetown University General Manager, Mercuries & Associates Holding, Ltd.	Please refer to the Company Chairman 「Positions currently assumed in the Company」.	None	None	None
Assistant General Manager, Principle Financial Officer, Head of Corporate Governance Chief Information Security Officer Member of The Company's Sustainable Development Committee.	Republic of China	Wang, Chih-Hua	Male	Feb. 1, 2004 July 17, 2009 May 14, 2021 Nov.14,2023 July 31,2024	238,220	0.02%	0	0%	0	0%	Bachelor of Economics, Fu Jen Catholic University Manager, Corporate Services Department, Mercuries & Associates, Ltd.	Director of Mercuries Leisure, Mercuries General Media, Mercuries Life Insurance Co., Ltd., Jiahong Investment Co., Ltd., Mercuries Liquor & Food Japan Co., Ltd. and Mercuries Social Welfare And Charity Foundation, Taoyuan County. Supervisor of Mercuries & Associates, Ltd. and Like record Co., Ltd..	None	None	None
Assistant General Manager, Principle accounting officer Member of The Company's Sustainable Development Committee.	Republic of China	Chen, Te-Kai	Male	Nov. 14, 2014 July 30, 2009 July 31,2024	98,121	0.01%	0	0%	0	0%	Bachelor of Accounting, National Taiwan University Manager, BDO Taiwan Manager, Underwriting Department, KGI Securities	Director of Mercuries Social Welfare And Charity Foundation, Taoyuan County. Independent director of Good Way Technology Co., Ltd. Supervisor of Sanhui Co., Ltd.	None	None	None
Chief Legal Officer Chief Sustainability Officer.	Republic of China	Hsu, Chin-Hsin	Female	May 14, 2021 July 31,2024	0	0%	0	0%	0	0%	Master of Laws, Northwestern University, USA Attorney General of Mercuries & Associates, Ltd. Assistant partner and junior partner lawyer of Wanguo Law Firm Judge of Keelung District Court, Taiwan, assistant judge of Kaohsiung Branch of Taiwan High Court	Vice Director of Mercuries Life Insurance Co., Ltd.. Director of Cmg International One Co. Ltd., Cmg International Two Co. Ltd., Framosa Co., Ltd., SCI Pharmtech, Inc.and Yushan Pharmaceuticals, Inc. Independent director of Eastern Union Interactive Corp., Orient Europharma Co., Ltd. and FIC Global INC. Director of Taiwan Bar Association.	None	None	None

2. Remuneration paid out to directors, Independent directors, the general managers, and assistant general managers

Due to one of the following circumstances in the Company, the directors' names and remuneration are revealed individually: (1) suffer losses after tax in individual financial reports in the last three years; (2) have insufficient shareholdings by Directors in the most recent year; (3) have the Directors' pledge ratio in either three months of the most recent year more than 50%; (4) have any Directors who received Directors' compensation accounting for more than 2% of the net profit after tax from companies listed in the financial report and individual Directors who received compensation of over NT\$15 million; (5) have the evaluation result of corporate governance in the most recent year at the last level two, neither has its trading method been changed, trading suspended, or public listing terminated, and the corporate governance evaluation committee did not pass a resolution that an evaluation of the Company would not be conducted in the most recent year and as of the printing date of this annual report; (6) have the fact that the average annual salary of full-time employees who are not holding managerial officer positions in the most recent year has not reached NT\$500,000 ; (7) The net profit after tax in the most recent year has increased by more than 10%, but the average annual salary of full-time employees who do not hold supervisory positions has not increased compared with the previous year ; (8) The after-tax profit and loss in the most recent year has declined by 10% and exceeded NT\$5 million, and the average remuneration of each director (excluding part-time employee compensation) has increased by 10% and exceeded NT\$100,000.

(1) Remuneration to Directors and Independent Directors

Unit: Thousand NTS / Thousand shares

Title	Name	Director's remuneration								Total amount & Proportion of net income after summing items A, B, C, and D		Salaries, bonuses, and special expenses (E)				Retirement allowance (F)		Employee remuneration (G)				Total amount & Proportion of net income after summing items A, B, C, D, E, and F		Receives remuneration from other non-subsidiary companies that the Company has invested in or parent company
		Remuneration (A) (Note 1)		Retirement pension (B)		Director's Remuneration (C)		Business execution fees (D)				The Company		All companies listed in this Financial Report		The Company		All companies listed in this Financial Report		The Company		All companies listed in this Financial Report		
		The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report													
Chairman	Chen, Shiang-Li	-	-	-	-	1250	3678	70	144	1,320	3,822	10,901	10,901	-	-	500	-	500	-	12,721	15,223	-		
										0.17%	0.51%									1.68%	2.02%			
Director	Shanglin Investment Chen, Shiang-Chung	-	-	-	-	625	3,225	60	130	685	3,355	-	9,748	-	108	-	-	210	-	685	13,421	-		
										0.09%	0.44%									0.09%	1.78%			
Director	Shuren Investment Wong, Wei-Chyun	-	-	-	-	625	2,000	70	820	695	2,820	-	4,129	-	-	-	-	-	-	695	6,949	-		
										0.09%	0.37%									0.09%	0.92%			
Director	Shuren Investment Cheng, I-teng (Note3)	-	-	-	-	1,250	1,250	70	70	1,320	1,320	-	-	-	-	-	-	-	-	1,320	1,320	-		
										0.17%	0.17%									0.17%	0.17%			
Director	Shuren Investment Wong, Tsui-Chun (Note3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
										-	-									-	-	-		
Director	Shanglin Investment Chen, Shiang-Feng	-	600	-	-	625	3,144	70	86	695	3,830	-	9,916	-	-	-	-	560	-	695	14,306	-		
										0.09%	0.51%									0.09%	1.89%			
Director	Mega Prosper Investment Limited Lee, Jiann-Hsiung	-	-	-	-	625	625	70	70	695	695	-	-	-	-	-	-	-	-	695	695	-		
										0.09%	0.09%									0.09%	0.09%			

Title	Name	Director's remuneration								Employee remuneration for other activities								Total amount & Proportion of net income after summing items A, B, C, D, E, and F		Receives remuneration from other non-subsidiary companies that the Company has invested in or parent company				
		Remuneration (A) (Note 1)		Retirement pension (B)		Director's Remuneration (C)		Business execution fees (D)		Total amount & Proportion of net income after summing items A, B, C, and D		Salaries, bonuses, and special expenses (E)		Retirement allowance (F)		Employee remuneration (G)								
		The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report		The Company	All companies listed in this Financial Report		
Independent director	Lee, Mao	-	-	-	-	625	625	70	70	695	695	-	-	-	-	-	-	-	-	-	-	695	695	-
										0.09%	0.09%											0.09%	0.09%	
Independent director	Tzeng, Yu-Chiung	-	-	-	-	625	625	70	70	695	695	-	-	-	-	-	-	-	-	-	-	695	695	-
										0.09%	0.09%											0.09%	0.09%	
Independent director	Liu, Po-Liang	-	-	-	-	625	625	70	70	695	695	-	-	-	-	-	-	-	-	-	-	695	695	-
										0.09%	0.09%											0.09%	0.09%	
Independent director	Chao, Yuan-Chi	-	-	-	-	625	625	70	70	695	695	-	-	-	-	-	-	-	-	-	-	695	695	-
										0.09%	0.09%											0.09%	0.09%	

*Remuneration received in the most recent year by the directors of the Company for rendering services (such as serving as a non-employed consultant) to any company listed in the Financial Report: NT\$ 2,400,000. (Remuneration to the Remuneration Committee members of the Company).

Note 1: In addition to Liu, Han-Tsung, the company's independent director, who receives a fixed monthly remuneration from the company, the other directors do not receive a salary and only receive travel expenses to attend the board of directors and participate in the distribution of director's remuneration distributed in accordance with the company's articles of association and approved by the board of directors. If there are no significant differences in the responsibilities, risks, time invested and other factors undertaken by independent directors, in principle the director's remuneration will be paid unanimously.

Note 2: Except for the disclosure in the table above, the Company's Directors did not receive remuneration for providing services for all companies listed in the financial report this year.

Note 3: On March 4, 2026, Shuren Investment Co., Ltd. appointed Wong, Tsui-Chun as its legal representative, replacing the original legal representative Cheng, I-Teng.

(2) Remuneration for general managers and assistant general managers

Unit: Thousand NT\$

Title	Name	Salary (A)		Retirement pension (B) (Note 1)		Bonuses and special expenses (C) (Note 2)		Employee's remuneration (D)				Total amount & Proportion of net income after summing items A, B, C, and D (%)		Receives remuneration from other non-subsidiary companies that the Company has invested in or parent company
		The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company	All companies listed in this Financial Report	The Company		All companies listed in this Financial Report		The Company	All companies listed in this Financial Report	
								Cash Sum	Shares Sum	Cash Sum	Shares Sum			
General Manager	Chen, Shiang-Li	3,614	3,614	—	—	7,287	7,287	500	—	500	—	11,401	11,401	—
												1.51%	1.51%	
Assistant General Manager	Wang, Chih-Hua	3,254	3,254	108	108	4,000	4,339	260	—	260	—	7,622	7,961	—
												1.01%	1.05%	
Assistant General Manager	Chen, Te-Kai	1,754	1,754	106	106	1,400	1,583	260	—	260	—	3,520	3,703	—
												0.47%	0.49%	
Attorney General	Hsu, Chin-Hsin	3,247	3,247	108	108	6,000	12,929	260	—	260	—	9,615	16,544	—
												1.27%	2.19%	

Note 1: Refers to the number of withdrawals made for this year.

Note 2: The figure in this column includes book cost of the vehicle as well as rental expense for the assigned vehicle.

(3)The information of the top five managerial officers with the highest remuneration

The Company's top five managerial officers with the highest remuneration are as described above in 「(2) Remuneration for general managers and assistant general managers」.

(4)Names of managerial officers provided with employee's compensation and state of payments

Unit: Thousand NT\$

	Title	Name	Value of share payments	Value of cash payments	Total	Total payment as a proportion of net income (%)
Managerial officers	General Manager	Chen, Shiang-Li	0	500	500	0.07%
	Assistant General Manager	Wang, Chih-Hua	0	260	260	0.03%
	Assistant General Manager	Chen, Te-Kai	0	260	260	0.03%
	Attorney General	Hsu, Chin-Hsin	0	260	260	0.03%

Compare and analyze the total remuneration paid to each of the Company's directors, general managers, and assistant general managers in the 2 most recent fiscal years by all companies listed in the Company's individual and consolidated financial statement as a percentage of net income and describe the policies, standards, and packages for payment of remuneration, the procedures for determining remuneration, and its linkage to business performance and future risk exposure.

A. Total remuneration as a proportion of net income (loss) (%)

	The Company		All companies in the consolidated report	
	2025	2024	2025	2024
Directors and Independent director (Note)	1.08%	0.79%	2.47%	2.38%
General Managers, Assistant general managers and Attorney General	4.26%	1.97%	5.25%	2.22%

Note : Excludes remuneration received as an employee.

B. Directors' remuneration policy in this Corporation is prescribed within the Articles of Incorporation and has been approved by the Board of Shareholders. Directors of this Corporation do not receive any remuneration except for commuting expenses incurred while participating in Board meetings. Remuneration for directors is determined based on each director's level of participation in the Corporation's operations and their contribution value, considering the standard remuneration typically provided in the industry. Subject to review by the Remuneration Committee and submitted to the Board of Directors for resolution.

The components of managerial remuneration consist of a fixed salary (including base salary, meal allowances, position allowances, and other items) as well as a variable salary (year-end bonuses). Managers also participate in the distribution of employee remuneration, as stipulated in the Corporation by-laws and approved by the Board of Directors. The remuneration of managers is linked to their individual contributions, management performance, company operating performance, and ESG outcomes. It is reviewed by the Remuneration Committee and submitted to the Board of Directors.

Other than the aforementioned, the compensation for directors and managers excludes sign-on bonuses or recruitment incentives, severance payments, clawback mechanisms, or retirement benefits.

In 2025, the remuneration received by directors from the Company and all consolidated subsidiaries decreased by approximately 32% and 49% respectively compared to the previous

period. The increase in the ratio of directors' remuneration to net profit after tax was primarily due to a decrease in profit of approximately 50% compared to the previous period. The increase in the ratio of managers' remuneration to net profit after tax was mainly due to one manager holding a subsidiary position for a full year this period, compared to only 4.5 months last year.

3. Implementation of corporate governance

(1) Implementation of Directors' Meetings

A. A total of 7 Directors' Meetings were held in the most recent fiscal year (2025).

The following lists the attendance of Directors in these meetings:

Title	Name	Attendance in person	Attendance by proxy	Attendance Rate in Percentage (%)	Note
Chairman	Shanglin Investment Chen, Shiang-Li	7	0	100%	—
Director	Shanglin Investment Chen, Shiang-Chung	5	1	71%	—
Director	Shuren Investment Wong, Wei-Chyun	5	2	71%	—
Director	Shuren Investment Cheng, I-teng	7	0	100%	—
Director	Shanglin Investment Chen, Shiang-Feng	7	0	100%	—
Director	Lee, Jiann-Hsiung	5	2	71%	—
Independent director	Lee, Mao	7	0	100%	—
Independent director	Tzeng, Yu-Chiung	7	0	100%	—
Independent director	Liu, Po-Liang	7	0	100%	—
Independent director	Chao, Yuan-Chi	6	1	86%	—

Other items that shall be recorded:

1. For any item listed in Article 14 Paragraph 3 of the Securities and Exchange Act as well as any other issues where an independent director expressed a dissenting or qualified opinion that have been recorded or stated by writ, and have been submitted to the Directors' Meeting for resolution, the date, session, topic discussed, opinions of every independent directors, and the Companies' handling of the opinions of the independent directors:
 - (1) Any matter listed in Article 14-3 of the Securities and Exchange Act: Independent directors did not provide any opinions during the 7 board meetings held in 2025.
 - (2) In addition to the aforementioned matters, any other resolutions from the board meetings where an independent director expressed a dissenting or qualified opinion that have been recorded or stated by writ: None.
2. For the implementation and state of director's recusal for conflict of interest, the director's name, contents of the topic, reasons for the required recusal, and participation in the voting process:
 - (1) The discussion items in the Board meeting on January 17, 2025
For the proposal 1 : A proposal to issue year-end bonuses to managers, Directors Chen, Shiang-Li and Chen, Shiang-Feng did not participate in the discussion and voting due to conflicts of interest.
 - (2) The discussion items in the Board meeting on March 14, 2025
For the proposal 2 : A proposal to issue year-end bonuses to managers, Directors Chen, Shiang-Li and Chen, Shiang-Feng did not participate in the discussion and voting due to conflicts of interest.
 - (3) The discussion items in the Board meeting on March 13, 2026
For the proposal 2 : A proposal to issue year-end bonuses to managers, Directors Chen, Shiang-Li and Chen, Shiang-Feng did not participate in the discussion and voting due to conflicts of interest.
For the proposal 11 : The Company release the non-compete clause for director, Directors Wong, Wei-Chyun and Wong, Tsui-Chun did not participate in the discussion and voting due to conflicts of interest.
3. Goals for enhancing the functions of the Board of Directors (such as establishing an Audit Committee or increasing information transparency) for the current fiscal year and most recent fiscal year as well as assessments of the actions implemented:
 - (1) For all Directors, the total number of training hours was 81 in 2025.
 - (2) State of communication between Independent Directors, the internal auditor officer, and the CPAs (shall include material matters, methods, and results of communication pertaining to corporate finances and business operations):
 - A. In 2025, the audit supervisor attended five board meetings and reported on the implementation and results of internal audit work. Independent director Li Mao also met face-to-face with the audit chief in the company's 16th-floor conference room on January 22, February 26, March 24, April 29, May 28, June 27, July 24, August 27, September 23, October 29, November 27 and December 31, 2025 to discuss the implementation of the audit report. The independent director did not make any internal control-related recommendations in 2025.
 - B. The CPAs attended the Board meetings on March 14, May 15, August 14, and November 14, 2025, and the shareholders' meeting on June 13, 2025. Before each board meeting, the accountant met separately with the independent directors to discuss corporate governance, key matters to be audited in the current year, operating conditions and the accountant's independence, and to discuss the audit plan and important matters for 2025. Independent directors made no comments on the aforesaid issues.
 - C. Contact information of independent directors, the internal auditor officer, and the CPAs is provided to facilitate communication.

B. Attendance of independent directors in board meetings in 2025:

◎:Attendance in person, ※:Attendance by proxy, *:Absence

2025	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting	Sixth Meeting	Seventh Meeting
Lee, Mao	◎	◎	◎	◎	◎	◎	◎
Tzeng, Yu-Chiung	◎	◎	◎	◎	◎	◎	◎
Liu, Po-Liang	◎	◎	◎	◎	◎	◎	◎
Chao, Yuan-Chi	◎	◎	◎	◎	◎	※	◎

C. The 2025 Board review was completed on March 13, 2026 as follows:

Evaluation cycle	During the evaluation	Scope	How to evaluate it	Content
Once a year	2025	1.Board of directors 2.Individual directors 3.Director Peers 3.Functional committee	1.Internal self-assessment by the Board of Directors 2.Self-assessment by members of the Board 3.Directors evaluate each other	The items for evaluating and evaluating vouchers shall be determined in accordance with the self-assessment or peer evaluation appraisal method of the Board of Directors. The content includes (1) participation in company operations, (2) improving the decision-making quality of the board of directors and functional committees, (3) awareness of the responsibilities of directors and functional committees, (4) mastery of company goals and tasks, (5) internal Relationship management and communication, (6) professional and continuing education and (7) internal control.

D. Results of 2025 years of internal self-evaluation of the board of directors, self-evaluation of director members and peer evaluation of directors:

Director	Evaluation result	Comments
Chen, Shiang-Li	Superior or above	None
Chen, Shiang-Chung	Superior or above	None
Wong, Wei-Chyun	Superior or above	None
Cheng, I-teng	Superior or above	None
Chen, Shiang-Feng	Superior or above	None
Lee, Jiann-Hsiung	Superior or above	None
Lee, Mao	Superior or above	None
Tzeng, Yu-Chiung	Superior or above	None
Liu, Po-Liang	Superior or above	None
Chao, Yuan-Chi	Superior or above	None

(2) Operations of the Audit Committee

A total of 5 Audit Committee meetings were held in 2025. The attendance of independent directors is as follows:

Title	Name	Times of in Person Attendance	Times of Proxy Attendance	Attendance rate of in Person (%)	Note
Independent Director	Lee, Mao	5	0	100%	-
Independent Director	Tzeng, Yu-Chiung	5	0	100%	
Independent Director	Liu, Po-Liang	5	0	100%	
Independent Director	Chao, Yuan-Chi	4	1	80%	

1. Items listed in Article 14-5 of the Securities and Exchange Act:

Date of Meeting	Term	Content of Proposal	Company's Disposal of Independent Directors' Opinions
2025.03.14	4th meeting of 3rd-term	<ol style="list-style-type: none"> (1) The Company's 2024 business report and financial statements. (2) The Company's 2024 earnings distribution plan. (3) The Company distribute cash dividend by capital surplus. (4) The Company's statement of internal control for 2024. (5) To amend 「Articles of Incorporation」, 「Corporate Governance Best Practice Principles」 and 「Audit Committee Charter」. (6) Review the internal audit report. 	Passed by all present independent directors.
2025.05.15	5th meeting of 3rd-term	<ol style="list-style-type: none"> (1) The company's certified public accountant independence and competency assessment and appointment case. (2) To approve the Q1 2025 financial statements. (3) Review the internal audit report. 	Passed by all present independent directors.
2025.08.14	6th meeting of 3rd-term	<ol style="list-style-type: none"> (1) To approve the Q2 2025 financial statements. (2) To approve the subscription of Mercuries Life Insurance Co., Ltd.'s capital increase. (3) Review the internal audit report. 	Passed by all present independent directors.
2025.11.05	7th meeting of 3rd-term	<ol style="list-style-type: none"> (1) To approve the Company disposed of all of its shareholdings in Mercuries Life Insurance Co., Ltd. through a share swap and acquired newly issued common shares of E. Sun Financial Holding Company, Ltd.. 	Passed by all present independent directors.
2025.11.14	8th meeting of 3rd-term	<ol style="list-style-type: none"> (1) To approve the Q3 2025 financial statements. (2) To approve the audit fees of the company's certified public accountant. (3) To approve endorsement and guarantee of the Company. (4) To amend 「Work Rules」. (5) To approve 2026 audit plan. (6) Review the internal audit report. 	Passed by all present independent directors.

2. Proposals approved by two-thirds of the Board of Directors and yet to be passed by the Audit Committee: None.

3. Incidents where independent directors must implement recusal for conflicts of interest: None.

4. Communication among Independent Directors, internal audit Supervisors, and CPA (including important matters, methods, and results of the Company's finance and operations):

- (1)The chief auditor communicates with the Audit Committee about the audit report on a regular basis and submits the internal audit report to the Audit Committee meeting. For special cases, the chief auditor reports to the Audit Committee immediately.
- (2)Since the chairman of the company is also the general manager, in order to maintain the independence of the audit unit, the board of directors approved on July 31, 2024 to authorize independent director Lee, Mao to be responsible for the management of the audit unit and the signing of audit documents.
- (3)The CPAs report the quarterly audit or review report in the Audit Committee meeting every quarter, including the application of new accounting principles and other statutory requirements. For special cases, the CPAs report to the Audit Committee immediately.

The independent directors, chief auditor, and CPAs communicate about the following:

Date of Meeting	Term	Communication with Chief Auditor	Communication with the CPAs
2025.03.14	4th meeting of 3rd-term	Review the internal audit report.	Discuss 2024 financial statements and communication matters during the completion phase.
2025.05.15	5th meeting of 3rd-term	Review the internal audit report.	Discuss Q1 2025 financial statements and communication matters during the completion phase.
2025.08.14	6th meeting of 3rd-term	Review the internal audit report.	Discuss Q2 2025 financial statements and communication matters during the completion phase.
2025.11.14	8th meeting of 3rd-term	Review the internal audit report. To approve 2026 audit plan.	Discuss Q3 2025 financial statements and communication matters during the completion phase. Communication of the 2025 annual financial statements audit plan.

(3) The state of the Company’s implementation of corporate governance, any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such departure

Assessed Items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Causes of the Said Gaps
	Yes	No	Summary	
1. Did the Company stipulate and disclose the Corporate Governance Best Practice Principles according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established the Corporate Governance Best Practice Principles according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and disclosed these Principles on the Market Observation Post System (MOPS) and its official website.	None.
2. Equity structure and shareholders’ equity of the Company				
(1) Did the Company establish internal procedures for handling shareholders' proposals, inquiries, disputes, and litigation? Were such matters handled according to these internal procedures?	V		(1) A spokesperson system has been established. The dedicated personnel were assigned to handle shareholders' recommendations, disputes, and other questions. Matters related to the shareholders’ meeting were implemented according to the Rules and Procedures of Shareholders Meeting.	None.
(2) Did the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	V		(2) In compliance with the regulations, the Company disclosed changes in the shareholding of insiders on a monthly basis. During the book closure period, the stock agency will provide a list of shareholders to monitor changes in the shareholding of major shareholders.	None.
(3) Did the Company establish and enforce risk controls and firewall systems with its affiliated companies?	V		(3) Implement and comply with the company's 「Regulations Governing of Internal Control System」, 「Procedures for Acquisition and Disposal of Assets」, 「Rules Governing Financial and Business Matters Between this Corporation and its Related Parties」 and relevant laws and regulations.	None.
(4) Did the Company stipulate internal rules that prohibit insiders from trading securities using information not disclosed to the market?	V		(4) According to the internal control procedures and 「Procedures for Handling Material Inside Information and Management of the prevention of insider trading」 and related laws and regulations, the Company has prohibited any insiders from using undisclosed information for securities trading. Unannounced audits would also be conducted by the auditing departments. The company governance unit personnel notified the directors and managers by email 30 days/15 days before the financial report announcement, with the notification dates being February 7, 2025, April 28, 2025, July 28, 2025, October 28, 2025 and February 6, 2026 respectively, prohibit to trading the company's stock. Meanwhile, on January 23, 2025, July 28, 2025, and October 28, 2025, the company forwarded information via email regarding common violations of insider shareholding change reporting and subsequent insider shareholding change reporting in accordance with Article 25 of the Securities and Exchange Act. This was done to strengthen communication with insiders and urge them to comply with the regulations to avoid penalties.	None.

Assessed Items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Causes of the Said Gaps
	Yes	No	Summary	
<p>3. Composition and responsibilities of the Board of Directors</p> <p>(1) Does the Board establish and implemented a diversity policy and specific management targets regarding its composition?</p> <p>(2) In addition to the Remuneration Committee and the Audit Committee established according to the law, has the Company voluntarily established other functional committees?</p> <p>(3) Has the company formulated the board of directors performance evaluation measures and method, conducted annual performance evaluation, and reported the performance evaluation results to the Board of Directors as a reference for individual directors' compensation and nomination?</p> <p>(4) Did the Company regularly assess the independence of the CPAs?</p>	V		<p>(1) The Company referred to the regulations of Article 20 of the Corporate Governance Best Practice Principles to ensure that members of the Board of Directors have work experiences and professional skills required for business, financial, accounting, and corporate operations. For the details of implementation, refer to Page 17-18 of this Annual Report.</p> <p>(2) A Sustainable Development Committee has been set up. Please see pages 40 of this Annual Report for details.</p> <p>(3) The Company referred to the Regulations Governing Self-Evaluation or Peer Evaluation of the Board of Directors to conduct annual performance evaluations. Results of the Directors' self-evaluations for 2025 were reported in the Board meeting on March 13, 2026. A total of 7 Board meetings were convened in 2025 with the average in-person attendance of 90%, the Board of Directors operated and performed duties in accordance with the Company's Rules and Procedures of Board of Director Meetings. The Board of Directors performed well in 2025.</p> <p>(4) The Company, on the basis of Article 29 of the Corporate Governance Best Practice Principles, implements regular evaluations and acquires a statement of independence from the CPAs every year. The assessment on the independence of the CPAs was reviewed and passed in the Board meeting on May 15, 2025.</p> <p>Items assessed include: The CPA and his/her spouse or minor children shall not have any investment, sharing of financial interests, or capital loans, or any of the 22 related items with the Company. For details, please refer to the explanation of "II. Corporate Governance Report, 4. Information on the CPA's fees (4)" in this annual report.</p>	<p>None.</p> <p>None.</p> <p>None.</p> <p>None.</p>
<p>4. Is the company staffed with an appropriate number of qualified corporate governance personnel, does it designate a person as a corporate governance officer, responsible for matters related to corporate governance (including but not limited to providing directors and supervisors with the necessary information to perform business, assisting directors and supervisors in compliance, handling matters related to the Board of Directors meeting and the shareholders' meeting in accordance with the laws, handling company registration and registration of changes, and keeping minutes of the Board of Directors meeting and the shareholders' meeting)?</p>	V		<p>Since May 2021, the Corporation has appointed a corporate governance officer responsible for corporate governance matters. These matters include providing information for directors to perform their functions; handling matters related to Board meetings and shareholders' meetings according to the law; handling company registration and changes to company registration; producing minutes of the Board meetings and shareholders' meetings; assisting directors in assuming their positions, ensuring legal compliance, and performing their duties; providing required information; arranging for directors to complete more than six hours of continuing education as required by law; handling Directors and Managers Liability Insurance, and reports to the Board of Directors.</p>	<p>None.</p>

Assessed Items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Causes of the Said Gaps																																																				
	Yes	No	Summary																																																					
			<p>The company's corporate governance supervisor training status is as follows:</p> <table border="1"> <thead> <tr> <th colspan="2">Training Date</th> <th rowspan="2">Organizer</th> <th rowspan="2">Course Name</th> <th rowspan="2">Number of Training Hours</th> </tr> <tr> <th>Start Date</th> <th>End Date</th> </tr> </thead> <tbody> <tr> <td>2025.03.20</td> <td>2025.03.20</td> <td>Taiwan Corporate Governance Association</td> <td>Artificial Intelligence Applications and Governance, Information Security and Zero Trust Architecture</td> <td>3</td> </tr> <tr> <td>2025.03.25</td> <td>2025.03.25</td> <td>Taiwan Corporate Governance Association</td> <td>How can directors and supervisors guide the company in effective corporate risk management and crisis handling</td> <td>3</td> </tr> <tr> <td>2025.04.24</td> <td>2025.04.24</td> <td>Taiwan Corporate Governance Association</td> <td>Treat vulnerable customers kindly and fairly - from the board's perspective</td> <td>3</td> </tr> <tr> <td>2025.08.05</td> <td>2025.08.05</td> <td>Taiwan Investor Relations Institute</td> <td>Insider Trading/Equity Reporting Practices Analysis</td> <td>3</td> </tr> <tr> <td>2025.09.25</td> <td>2025.09.25</td> <td>Taiwan Securities Association</td> <td>Adapting to IFRS sustainable disclosure standards and sustainable information management internal control systems</td> <td>3</td> </tr> <tr> <td>2025.10.23</td> <td>2025.10.23</td> <td>Institute of Financial Law and Crime Prevention</td> <td>Money laundering prevention and counter-terrorism financing (including counter-proliferation and examples of criminal threats prior to national risk assessment reports)</td> <td>1</td> </tr> <tr> <td>2025.11.13</td> <td>2025.11.13</td> <td>Institute of Financial Law and Crime Prevention</td> <td>Honest business practices (including whistleblower protection/reporting systems) and prevention of insider trading</td> <td>1</td> </tr> <tr> <td>2025.12.02</td> <td>2025.12.02</td> <td>Institute of Financial Law and Crime Prevention</td> <td>Cybersecurity in-person course</td> <td>3.2</td> </tr> <tr> <td colspan="4">Total</td> <td>20.2</td> </tr> </tbody> </table>	Training Date		Organizer	Course Name	Number of Training Hours	Start Date	End Date	2025.03.20	2025.03.20	Taiwan Corporate Governance Association	Artificial Intelligence Applications and Governance, Information Security and Zero Trust Architecture	3	2025.03.25	2025.03.25	Taiwan Corporate Governance Association	How can directors and supervisors guide the company in effective corporate risk management and crisis handling	3	2025.04.24	2025.04.24	Taiwan Corporate Governance Association	Treat vulnerable customers kindly and fairly - from the board's perspective	3	2025.08.05	2025.08.05	Taiwan Investor Relations Institute	Insider Trading/Equity Reporting Practices Analysis	3	2025.09.25	2025.09.25	Taiwan Securities Association	Adapting to IFRS sustainable disclosure standards and sustainable information management internal control systems	3	2025.10.23	2025.10.23	Institute of Financial Law and Crime Prevention	Money laundering prevention and counter-terrorism financing (including counter-proliferation and examples of criminal threats prior to national risk assessment reports)	1	2025.11.13	2025.11.13	Institute of Financial Law and Crime Prevention	Honest business practices (including whistleblower protection/reporting systems) and prevention of insider trading	1	2025.12.02	2025.12.02	Institute of Financial Law and Crime Prevention	Cybersecurity in-person course	3.2	Total				20.2	
Training Date		Organizer	Course Name	Number of Training Hours																																																				
Start Date	End Date																																																							
2025.03.20	2025.03.20	Taiwan Corporate Governance Association	Artificial Intelligence Applications and Governance, Information Security and Zero Trust Architecture	3																																																				
2025.03.25	2025.03.25	Taiwan Corporate Governance Association	How can directors and supervisors guide the company in effective corporate risk management and crisis handling	3																																																				
2025.04.24	2025.04.24	Taiwan Corporate Governance Association	Treat vulnerable customers kindly and fairly - from the board's perspective	3																																																				
2025.08.05	2025.08.05	Taiwan Investor Relations Institute	Insider Trading/Equity Reporting Practices Analysis	3																																																				
2025.09.25	2025.09.25	Taiwan Securities Association	Adapting to IFRS sustainable disclosure standards and sustainable information management internal control systems	3																																																				
2025.10.23	2025.10.23	Institute of Financial Law and Crime Prevention	Money laundering prevention and counter-terrorism financing (including counter-proliferation and examples of criminal threats prior to national risk assessment reports)	1																																																				
2025.11.13	2025.11.13	Institute of Financial Law and Crime Prevention	Honest business practices (including whistleblower protection/reporting systems) and prevention of insider trading	1																																																				
2025.12.02	2025.12.02	Institute of Financial Law and Crime Prevention	Cybersecurity in-person course	3.2																																																				
Total				20.2																																																				

Assessed Items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Causes of the Said Gaps																					
	Yes	No	Summary																						
5.Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' area been established on the company website? Has the Company addressed major corporate social responsibility (CSR) topics that the stakeholders are concerned in a proper manner?	V		<p>(1) The Company has established a spokesperson system and a stakeholders' area on the official website, disclosed relevant contact information on the MOPS and its official website according to related regulations, and created good communication channels with investors.</p> <p>(2) After identifying material topics, the Company collects effective feedbacks from stakeholders in paper or through online questionnaire once every two years. According to the sorting results of 33 questionnaires filled out by senior executives, members of the ESG Committee, department heads, and stakeholders regarding "Degree of Impact" of 27 sustainability topics of the Company in 2024, a total of 14 material topics were identified; furthermore, since Mercuries & Associates Holding, Ltd. has always adhered to the initial intention of "Take from society, and pay back to society", and has sponsored sports events and public welfare activities for many years, it was recognized by the senior executives that the topic of "Public Welfare and Community Engagement" also had a material impact on the Company, and therefore this topic was included among the material topics for disclosure. There are 15 material topics disclosed as follows:</p> <table border="1"> <thead> <tr> <th>Governance topics</th> <th>Environmenttopics</th> <th>Social topics</th> </tr> </thead> <tbody> <tr> <td>Operating Performance</td> <td>Energy Management</td> <td>Labor Relations and Communication</td> </tr> <tr> <td>Corporate Sustainable Governance</td> <td>Waste and Water Resource Management</td> <td>Employee Remuneration and Welfare</td> </tr> <tr> <td>Ethical Corporate Management</td> <td>Climate Change Responsive Strategy</td> <td>Talent Development and Cultivation</td> </tr> <tr> <td>Regulatory Compliance</td> <td>Leftover Management</td> <td>Product Quality and Food Safety</td> </tr> <tr> <td>Risk Management</td> <td></td> <td>Workplace Safety and Health</td> </tr> <tr> <td></td> <td></td> <td>Public Welfare and Community Engagement</td> </tr> </tbody> </table> <p>(3) Related departments of the Company have been assigned to be in charge of maintaining open communication channels with stakeholders that include shareholders, employees, government entities, local communities, correspondent banks, consumers, suppliers, and investors.</p>	Governance topics	Environmenttopics	Social topics	Operating Performance	Energy Management	Labor Relations and Communication	Corporate Sustainable Governance	Waste and Water Resource Management	Employee Remuneration and Welfare	Ethical Corporate Management	Climate Change Responsive Strategy	Talent Development and Cultivation	Regulatory Compliance	Leftover Management	Product Quality and Food Safety	Risk Management		Workplace Safety and Health			Public Welfare and Community Engagement	<p>None.</p> <p>None.</p> <p>None.</p>
Governance topics	Environmenttopics	Social topics																							
Operating Performance	Energy Management	Labor Relations and Communication																							
Corporate Sustainable Governance	Waste and Water Resource Management	Employee Remuneration and Welfare																							
Ethical Corporate Management	Climate Change Responsive Strategy	Talent Development and Cultivation																							
Regulatory Compliance	Leftover Management	Product Quality and Food Safety																							
Risk Management		Workplace Safety and Health																							
		Public Welfare and Community Engagement																							
6.Has the Company delegated a professional stock agency to handle shareholders' meetings?	V		The Company has delegated the Shareholder Services Department of Horizon Securities Corp. to be in charge of handling affairs pertaining to shareholders' meetings within the Company.	None.																					
7.Information disclosure (1)Did the Company establish a website to disclose information on financial operations and corporate governance?	V		(1) The Company has established the official website for disclosing information on finances, business operations, and corporate governance. Links with	None.																					

Assessed Items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Causes of the Said Gaps
	Yes	No	Summary	
<p>(2) Did the Company adopt other means of information disclosure (such as establishing an English language website, delegating a professional to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the company website)?</p> <p>(3) Does the company publicly announce and declare the annual financial report within two months after the end of the fiscal year, and publicly announce and declare the financial reports for the first, second, and third quarters and the monthly operating status early before the specified deadline?</p>	V		<p>Taiwan Securities Exchange (TWSE) and Market Observation Post System (MOPS) have also been established to provide the prompt disclosure of information.</p> <p>(2) The Company has established a company website and assigned persons to maintain and disclose corporate information through the website. The Company has also established a spokesperson system, and assigned dedicated persons to collect and publish information.</p>	None.
		V	<p>(3) The Company did not publicly announced and declared the annual financial report within two months after the end of the fiscal year, and publicly announce and declare the financial reports for the first, second, and third quarters operating status early before the specified deadline.</p>	The Company will progressively publish financial reports in advance.
<p>8. Has the Company provided important information to provide better understanding of the state of corporate governance (including but not limited to employees' rights, employee care, investor relations, supplier relations, stakeholders' rights, progress of training of Directors, risk management policy and state of implementing risk impact standards, state of implementing customer policies, and the Company's purchase of liability insurance for its Directors and Supervisors)?</p>	V		<p>(1) Employees' rights: The Company recruited employees in a fair manner and hired people with disabilities and re-employed women according to the Labor Standards Act and related regulations to protect employees' rights.</p> <p>(2) Employee care: The Company has established the Employee Welfare Committee to stipulate adequate employee welfare plans as well as provision of bonuses for marriage, funerals, childbirth, and other celebrations. On-job training for employees was also carried out on suitable occasions to generate positive relationships with employees.</p> <p>(3) Investor relations: The Company fully disclosed information on the company website to allow investors to understand its operation instantly. The Company communicated with investors through shareholders' meetings, investor conferences, and a spokesperson system.</p> <p>(4) Supplier relations: The Company has maintained business relationships with suppliers based on the principle of reciprocity and evaluated new suppliers' credit terms carefully. The Company managed the business dealings with suppliers in accordance with the Ethical Corporate Management Best Practice Principles under the supervision of the auditing department, which reports to the Board of Directors on a regular basis.</p>	None.

Assessed Items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Causes of the Said Gaps
	Yes	No	Summary	
			<p>(5) Stakeholders' rights: Customers: The Company provided quality products and services and listened and responded quickly to customers' opinions to meet their needs. Shareholders: The Company's ultimate goal is to fulfill its corporate social responsibility, while maintaining shareholders' interests.</p> <p>(6) Progress of training of Directors: The Company provided information or content updates on matters relating to corporate governance, finance, accounting, and laws for its Directors every now and then. Lawyers or CPAs would be engaged in cases where there are any impacts or areas that required clarification. For progress of training of Directors, refer to Page 74-75 of this Annual Report.</p> <p>(7) Risk management policy and state of implementing risk impact standards: The risk management policy of the Company was implemented through the Board of Directors in accordance with the relevant regulations. Various operational policies and internal regulations were also established for business units (BU) within the Company to follow. Operational risks shall be identified, assessed, monitored, avoided, and reported upon by managerial officers. Auditors shall evaluate process implementation and risk control measures taken by departments and regularly submit audit results to the Board of Directors and Audit Committee. The Chairman's Office has established the Emergency Response Task Force composed of members from each department to promptly and effectively respond to contingencies and reduce business risks. For risk assessments and responses, refer to Page 157-196 of this Annual Report.</p> <p>(8) State of implementing customer policies: The Company attaches great importance to consumer rights and has established a toll-free 0800 customer service hotline. Dedicated persons have been appointed to handle cases of complaints. A policy of product returns and replacement has also been established and implemented accordingly.</p> <p>(9) In May 2025, the purchase of liability insurance for directors will be completed for \$5 million, and the amount of insurance and coverage will be reported to the board of directors.</p> <p>(10) For details on employee personal health and safety and work environment protection measures and their implementation in each business sector, please refer to "IV. Operational Highlights, V. Labor relations, C. Employee Personal Health and Safety and Work Environment Protection Measures and Their Implementation" in this annual report.</p>	

Assessed Items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Causes of the Said Gaps
	Yes	No	Summary	
9.Improvements made in the most recent year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation (TWSE), and prioritized matters and measures to be improved for matters that have not been improved.	V		<p>(1) According to the result of the year 2025 Corporate Governance Evaluation published by Taiwan Stock Exchange Corporation, the Company was ranked 66%~80%%.</p> <p>(2) Evaluation items where the Company did not gain any points and state of improvement:</p> <ol style="list-style-type: none"> 1. The company did not report the remuneration received by the directors, including the remuneration policy, content, or amount of individual remuneration, at the general shareholders meeting. Improvement status: The content of the shareholders' meeting report will be gradually improved. 2. The company has not set up a dedicated (or part-time) unit to promote sustainable development. Based on the principle of materiality, it conducts risk assessments on environmental, social or corporate governance issues related to the company's operations and formulates relevant risk management policies or strategies. The board of directors supervises the promotion of sustainable development and discloses it on the company's website and annual report. Improvement status: On July 31, 2024, the company's board of directors approved the establishment of a full-time (or part-time) unit to promote sustainable development. In 2025, the implementation status and evaluation results have been disclosed on the company's website or annual report. 3 The company has not invested resources to support domestic cultural development, and will disclose the methods and results of such support on the company website, annual report or sustainability report. Improvement status: It will be disclosed in the Company's 2025 Sustainability Report. 4. Does the Company conduct regular employee satisfaction surveys and disclose the implementation status and improvement plans? Improvement status: The corporate group has established a multi-layered, diversified labor-management communication mechanism, ensuring that employees can fully express their opinions through formal platforms such as labor-management meetings, labor unions, and the Occupational Safety and Health Committee. In 2025, the subsidiaries continued to collect employee opinions through the aforementioned 	The Company will implement improvements according to the state of improvement specified in the summary.

Assessed Items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Causes of the Said Gaps
	Yes	No	Summary	
			<p>mechanism and diverse communication channels. A total of 49 employee grievance cases were accepted throughout the year. All cases have been Investigated and resolved, achieving a 100% annual closure rate, thereby protecting employee rights and interests while continuing to optimize the work environment.</p> <p>5. The Company has not established policies on water reduction and other waste management, including reduction targets, implementation measures, and performance status. Improvement status: The status in 2025 is disclosed in "II. 3. Implementation of corporate governance (5) Implementation of Sustainable Development, Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons Thereof " of this Annual Report.</p> <p>(3) Other items where the Company did not gain any points and state of improvement:</p> <ol style="list-style-type: none"> 1. The Company did not convene the annual shareholders' meeting before the end of May. 2. The Chairman of the Company and the General Manager, or other equivalent positions (top executives), are either the same person or are spouses or first-degree relatives. 3. More than two of the directors have spouses or were relatives within the second degree of kinship. 4. The number of directors who are employees of the company, its parent company, its subsidiaries, or its brother companies shall not be less than one-third of the total number of director seats. 5. The Company did not formulated succession plans for the Board members and management, and disclose its operation status on the company website or annual report. 6. The company does not have any functional committees other than those required by law, such as a nomination committee and risk management committee. 7. The Company neither formulated risk management policies and procedures approved by the Board nor disclosed the scope, structure, and operations of risk management. 8. The regulations for the Board evaluations did not stipulate that external evaluations should be carried out at least once every three years. 	

Assessed Items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Causes of the Said Gaps
	Yes	No	Summary	
			<p>9.The Company has not developed an intellectual property management plan that is aligned with business objectives. In addition, the Company has not disclosed the status of its implementation on its website or in its annual report, nor has it reported to the Board of Directors at least annually.</p> <p>10. The Company's annual report does not disclose the link between the evaluation of the performance of directors and the managers and their compensation.</p> <p>11. The Company did not set up an English company website.</p> <p>12. The Company was not invited to hold or did not hold two investor conferences or more.</p> <p>13. The Company did not voluntarily disclose the individual remunerations of the President and Vice Presidents in its annual report, but it has been disclosed in accordance with the relevant regulations.</p> <p>14. The Company did not set up a dedicated (concurrent) unit in charge of promoting ethical corporate management, including formulating and supervising the implementation of ethical corporate management policies and prevention programs.</p> <p>15. The Company did not formulate human rights policies and specific management plans based on the International Bill of Human Rights.</p> <p>16. The company's website or annual report does not disclose ethical corporate management policies approved by the Board of Directors, along with specific practices and prevention programs, on its website or in its annual report, and does it detail their implementation.</p> <p>17.The company did not disclose its policy on linking senior executive compensation with ESG-related performance evaluations.</p> <p>18. Has the Company implemented internal carbon pricing to evaluate the impact of climate change on the Company's financial performance? Although the Company has not implemented internal carbon pricing, it has evaluated climate change's impact on the Company's financial activities in "(6)Implementation of Climate-related Information " of this Annual Report.</p> <p>Improvement status: The Company will, by considering internal policies and costs of implementation, take action to improve as required.</p>	

(4) Composition, duties, and operations of remuneration committee:

A. The Company does not has a nomination committee, following is the information of the members of the Remuneration Committee

Identity	Condition		Professional qualifications and experience	Independence	Number of remuneration committee memberships concurrently held in other public companies
	Name				
Independent director (Convener)	Lee, Mao		Refer to Information on Directors	Refer to Information on Directors	Refer to Information on Directors
Independent director	Tzeng, Yu-Chiung		Refer to Information on Directors	Refer to Information on Directors	Refer to Information on Directors
Independent director	Liu, Po-Liang		Refer to Information on Directors	Refer to Information on Directors	Refer to Information on Directors
Independent director	Chao, Yuan-Chi		Refer to Information on Directors	Refer to Information on Directors	Refer to Information on Directors

B. Operations of remuneration committee

a. The remuneration committee composed of 4 members.

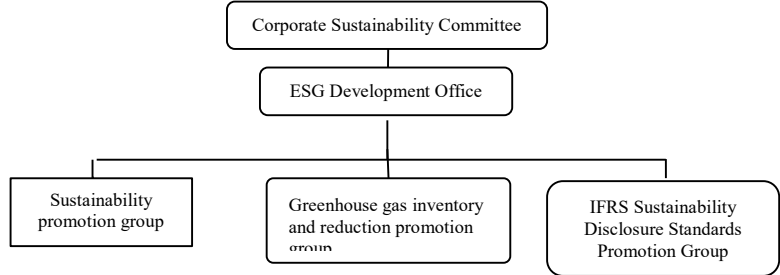
b. Duration of the current term of service: June 21, 2024 to June 20, 2027. In the latest fiscal year (2025), a total of 2 remuneration committee meetings were held. The following lists member qualifications and presence for these meetings:

Title	Name	Attendance in person	Attendance by proxy	Attendance Rate in person (%)	Note
Committee Chair	Lee, Mao	2	0	100%	-
Member	Tzeng, Yu-Chiung (Note2)	2	0	100%	-
Member	Liu, Po-Liang (Note2)	2	0	100%	-
Member	Chao, Yuan-Chi (Note2)	2	0	100%	-

Other items that shall be recorded:

1. If the board of directors choose not to adopt or revise recommendations proposed by remuneration committee, the date, session, contents discussed, and resulting resolutions of the board meeting, and the Company's disposition of opinions provided by remuneration committee shall be described in detail (also, where the salary and remuneration approved by the board meeting is better than that recommended by remuneration committee, the differences and the reason for the approval shall be described in detail):
None.
2. Where resolutions of the remuneration committee include dissenting or qualified opinion which is on record or stated in a written statement, the date, session, contents discussed, opinions from every member, and disposition of the members' opinions shall be described in detail: None.

(5) Implementation of Sustainable Development, Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and Reasons Thereof

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
1. Does the Company establish a sustainability governance structure, set up a dedicated (concurrent) unit in charge of promoting sustainable development, and have the management account under the Board's supervision?	V		<p>(1) In accordance with the vision and mission of the ESG policy, a Corporate Sustainability Committee has been established, with the Chairman as the convener. The governance structure is as follows:</p>  <pre> graph TD CSC[Corporate Sustainability Committee] --> EDO[ESG Development Office] EDO --> SPG[Sustainability promotion group] EDO --> GGIRP[Greenhouse gas inventory and reduction promotion group] EDO --> IFRSPG[IFRS Sustainability Disclosure Standards Promotion Group] </pre> <p>1. The Board of Directors serves as the highest governance body, establishes the direction for the Corporation's sustainable development. The ESG Committee is responsible for formulating, promoting, and supervising the Corporation's sustainable development policies, systems or related management guidelines, and concrete implementation plans.</p> <p>2. The ESG Committee held meetings on February 27, April 30, July 30, and October 31, 2025, and on February 26, 2026, respectively. At these meetings, the implementation status and progress of each task force were reported, and quarterly reports were submitted to the Board of Directors. The 2025 ESG Report was also reviewed and approved; to amend 「Organizational Charter of the Sustainability Development Committee」, 「Sustainable Development Best Practice Principles」, 「The Rules Governing the management of sustainability information」, 「The operational procedure for preparation and assurance of the sustainability report」 and 「Greenhouse Gas Inventory Management Procedure」; to formulate 「Procedures for preparing and submitting a dedicated chapter on sustainable financial information in annual reports」 and 「Sustainable Risk and Opportunity Management Procedures」, the proposal was then discussed and approved by the board of directors.</p> <p>3. The ESG Committee has established the Sustainability Promotion Team, the Greenhouse Gas Inventory and Reduction Implementation Team, and the IFRS Sustainability Disclosure Standards Promotion Team. Members of these teams concurrently serve as employees of the Corporation and its subsidiaries. The job description of each team is as follows:</p> <p>(1) Sustainable Promotion Team:</p> <p>a. Responsible for information on sustainability management policies, compliance with the disclosure of information on relevant regulations and</p>	None.

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
			<p>international standards for sustainability, and fully disclosing relevant and reliable information on sustainability to enhance the transparency of such information.</p> <p>b. Responsible for managing policies and procedures related to human rights, compliance with human rights-related regulations and international standards, establishing internal and external communication among all members of the organization (including employees, subsidiaries, etc.) and key members in the value chain, assessing relevant risks and management mechanisms, as well as promoting community and cultural development, in order to achieve the goal of sustainable operations.</p> <p>c. Assist in ensuring legal compliance related to corporate governance, provide education and training, and support the operation of stakeholder communication mechanisms to fulfill the Corporation's sustainable development goals.</p> <p>(2)Greenhouse Gas Inventory and Reduction Promotion Team: This team was established in May 2022 and is responsible for environmental management systems, compliance with relevant environmental regulations and international standards, assessing sustainability transitions, improving resource efficiency, implementing climate change response mechanisms, and establishing dedicated environmental management units or personnel to achieve environmental sustainability goals. Conduct monthly statistics on energy consumption, fuel expenses, and transportation costs from business travels for each company within the group, and compile a summary of greenhouse gas emissions.</p> <p>(3)IFRS Sustainability Disclosure Standards Promotion Team: Beginning from the fiscal year 2026, the Corporation will implement the IFRS Sustainability Disclosure Standards in its annual reports. This team was established in November, 2025 to ensure that all members of the Corporation and its organization (such as employees and subsidiaries), are responsible for adhering to the IFRS Sustainability Disclosure Standards in their reporting. Implement internal controls in accordance with the Sustainability Disclosure Standards, update the internal control manual related to information on IFRS sustainability, and conduct education and training.</p> <p>4. The status of implementation and progress of each team are reported quarterly to the ESG Committee for review and subsequently presented to the Board of Directors.</p> <p>5. In fiscal year 2025 and up to March 31, 2026, a total of 7 group members participated in 66 hours of courses related to the IFRS Sustainable Disclosure Guidelines.</p> <p>6. The Corporation and its listed subsidiaries have set up a sustainable development area on their official website to facilitate instant communication with stakeholders. The ESG Committee is responsible to respond to and process stakeholders' opinions quickly.</p>	

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes						
	Yes	No	Summary							
2. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to its operations in accordance with the materiality principle, and implement relevant risk management policies or strategies?	V		<p>(1)The scope of risk assessment is based on all subsidiaries of the Company, and the greenhouse gas inventory and verification are implemented according to the progress of the "Sustainable Development Roadmap for Listed Companies."</p> <p>(2)Senior management and all departments of the Company and its subsidiaries review the environmental, social, and corporate governance (ESG) risks and impacts associated with their operations based on their operating environments, and formulate corresponding management strategies and mitigation measures. The Company and its subsidiaries also review risks and the effectiveness of risk management mechanisms, and monitor the risks associated with each department in accordance with relevant risk management decisions and regulations.</p> <p>(3)The risk assessment standards, process, results, and risk policies or strategies for identifying major issues related to the environment, society, and corporate governance are as follows:</p> <table border="1"> <thead> <tr> <th>Dimension</th> <th>Risk assessment items</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental management system Energy efficiency</td> <td> <p>1.All operating sites of the Company and its subsidiaries must be legally established according to the government agencies' standards for reducing environmental impacts. In the case of climate change, the greenhouse gas inventory and verification are implemented according to regulations, and carbon emissions of all sites are inventoried. Each department shall identify how its operations may impact the climate based on its business scope, assess its risks, propose countermeasures, and set carbon reduction targets for future greenhouse gas emissions.</p> <p>Climate change has led to an increasing frequency and intensity of extreme weather events, such as heavy rainfall, typhoons, floods, droughts, or earthquakes and other natural disasters. These events can result in casualties, property damage, supply chain disruptions, or disruption of business operations and production activities, causing severe losses to business operations. Response measures include insuring commercial property insurance, inventory insurance, business interruption insurance, and public liability insurance to reduce business losses caused by natural disasters. The Corporation also conducts natural disaster risk assessments and has established emergency response and disaster</p> </td> </tr> </tbody> </table>	Dimension	Risk assessment items	Description	Environment	Environmental management system Energy efficiency	<p>1.All operating sites of the Company and its subsidiaries must be legally established according to the government agencies' standards for reducing environmental impacts. In the case of climate change, the greenhouse gas inventory and verification are implemented according to regulations, and carbon emissions of all sites are inventoried. Each department shall identify how its operations may impact the climate based on its business scope, assess its risks, propose countermeasures, and set carbon reduction targets for future greenhouse gas emissions.</p> <p>Climate change has led to an increasing frequency and intensity of extreme weather events, such as heavy rainfall, typhoons, floods, droughts, or earthquakes and other natural disasters. These events can result in casualties, property damage, supply chain disruptions, or disruption of business operations and production activities, causing severe losses to business operations. Response measures include insuring commercial property insurance, inventory insurance, business interruption insurance, and public liability insurance to reduce business losses caused by natural disasters. The Corporation also conducts natural disaster risk assessments and has established emergency response and disaster</p>	None.
Dimension	Risk assessment items	Description								
Environment	Environmental management system Energy efficiency	<p>1.All operating sites of the Company and its subsidiaries must be legally established according to the government agencies' standards for reducing environmental impacts. In the case of climate change, the greenhouse gas inventory and verification are implemented according to regulations, and carbon emissions of all sites are inventoried. Each department shall identify how its operations may impact the climate based on its business scope, assess its risks, propose countermeasures, and set carbon reduction targets for future greenhouse gas emissions.</p> <p>Climate change has led to an increasing frequency and intensity of extreme weather events, such as heavy rainfall, typhoons, floods, droughts, or earthquakes and other natural disasters. These events can result in casualties, property damage, supply chain disruptions, or disruption of business operations and production activities, causing severe losses to business operations. Response measures include insuring commercial property insurance, inventory insurance, business interruption insurance, and public liability insurance to reduce business losses caused by natural disasters. The Corporation also conducts natural disaster risk assessments and has established emergency response and disaster</p>								

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
			<p>recovery plans to ensure timely resumption of operations after a disaster. Routine automated inspections are carried out, such as retail building inspections, electrical safety checks, and regular maintenance and servicing of equipment. In addition, a major incident reporting mechanism has been established, along with logistical personnel support.</p> <p>2.The Investment Department shall assess whether relevant measures have been taken to mitigate or adapt to climate-related risks before investing in companies in high-carbon emission industries, regularly track the implementation and improvement status after investment, and encourage investment in low-carbon emission industry companies.</p> <p>3.For details regarding the validity of each company's environmental and energy-related certifications, please refer to the " 3 Environmental issues" section of this annual report.</p>	
			<p>Social</p> <p>Employee care Consumer protection Supplier management Active social participation</p> <p>1.Comply with relevant labor laws and regulations, using them as standards for governance risk assessment. Create a diverse, inclusive workplace that prioritizes safety and equality, ensuring equal pay for equal work irrespective of gender, while promoting gender equality in the workplace. The risks include potential litigation, financial losses, and reputational damage if labor-related laws and regulations are not complied. Additionally, the retail industry is highly competitive with high employee turnover, which may lead to declines in service quality and employee satisfaction.</p> <p>The management strategies include a comprehensive talent development system; establishing systematic or digitalized education and training, providing diverse education and training opportunities to ensure employees have easy access to resources that improve their competitiveness. Additionally, the Corporation seeks to gradually improve employee benefits and satisfaction to reduce turnover and improve service quality; and establish a labor-management grievance mechanism to offer employees a friendly communication channel.</p>	

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
			<p>2.In addition to rigorously monitoring the sources of products and services to manage food safety risks and protect consumer rights and health, a dedicated consumer service hotline and a complaint resolution mechanism are also provided. Regulations related to food imposed by competent authorities are becoming increasingly stringent. Failure to comply may result in fines and reputational damage to the Corporation. If suppliers have inadequate control processes result in a decline in product quality, there is a risk that the products provided will not meet established standards.</p> <p>The management strategy includes establishing a standardized product safety management process with autonomous random sampling of products; implementing a standardized process for handling problematic products, immediate reporting and removal from shelves. It also includes insuring relevant financial insurance for products to mitigate risks, such as product liability insurance; strengthening supplier management mechanisms, and strictly enforcing supplier evaluation and selection (with alcoholic products managed as specialized business, procurement for alcoholic products is relatively concentrated, while procurement for other products are highly decentralized, reducing the risk of concentration).</p> <p>3.The Company's subsidiaries have formulated supplier management systems applicable to their industries according to the quality management model to ensure that the supplier's product manufacturing and supply comply with the relevant laws and regulations while meeting social and environmental expectations such as workplace health and safety, environmental protection, labor human rights, and moral requirements.</p> <p>4.By upholding the spirit of "giving what you have earned from society back to society," the Company and its subsidiaries have actively paid attention to public issues, cared for disadvantaged groups,</p>	

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
			<p>actively organized and participated in public welfare events, fulfilled the corporate citizen responsibility, and give back to the society. Please see Chapter Seven's description for details.</p> <p>5.Mercuries F&B Co., Ltd.'s central kitchen has obtained HACCP food safety management system certification and TQF Taiwan Good Food certification, with validity periods of July 20, 2028 and September 8, 2026 respectively.</p>	
			<p>Corporate Governance</p> <p>Emphasis on corporate governance Comply with integrity management Risk management</p>	<p>1.Formulate the company's 「 Ethical Corporate Management Best Practice Principles 」 , 「 Codes of Ethical Conduct 」,「 Procedures for Handling Material Inside Information and Management of the prevention of insider trading 」 and 「 Regulations Governing of Whistleblowing system 」 . The Company aims to protect the rights and interests of shareholders, creditors, and employees. We have also strengthened the functions of the board of directors, purchased director liability insurance, and regularly arranged for directors and supervisors to participate in corporate governance-related advanced courses and ensure directors' professionalism, independence, and diversity. Directors, managers, and employees are subject to these corruption and bribery prevention provisions.</p> <p>2.Respect the stakeholders' rights and interests, comprehend the issues of concern to various stakeholders via every two years questionnaire surveys, and reveal the evaluation results in the sustainability report to improve information transparency.</p> <p>3.Conduct dishonesty risk assessment, analyze and evaluate business activities with a higher risk of dishonesty within the scope of operations, and analyze and review accordingly.</p> <p>4.Identify and analyze financial, operational, transformation, and other risks.</p> <p>(1)The Corporation's subsidiary, Mercuries Life Insurance Inc., made substantial investments in financial assets, with over 80% of these assets</p>

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
				<p>denominated in foreign currencies, primarily in U.S. dollars. Therefore, fluctuations in domestic and international stock and bond markets, interest rates, and the exchange rate of the U.S. dollar against the New Taiwan dollar significantly impact the Corporation's capital structure, financial structure, and operational performance, creating market risks (exchange rate risk, interest rate risk, price risk), credit risk, liquidity risk, and operational risk.</p> <p>The management strategy includes monitoring changes in interest rates and exchange rates, and utilizing forward foreign exchange contracts and other methods to hedge against exchange rate risks. The management of credit risk is based on limit control, with separate limits set for industry, issuer, and country risk exposure, which are continuously monitored to avoid excessive concentration of risks. For short-term liquidity risk management, liquidity ratios for assets are established as measurement and control indicators. Relevant departments have implemented an immediate fund reporting mechanism and use appropriate money market instruments for daily fund allocation. Medium- and long-term liquidity risk management involves regular reviews of assets and liabilities, using cash flow analysis models to monitor the alignment of assets and liabilities and to plan for the reduction of related risks. In terms of market liquidity risk, considerations include the correlation between market trading volume and held positions, as well as the impact of large trading positions on market prices. Relevant monitoring mechanisms have been established, along with regulations on daily trade concentration, investment position limits, and allocation of current asset to prevent the occurrence of market liquidity risks. The</p>

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
				<p>objective of operational risk management is to establish and effectively implement sound operational risk management and monitoring mechanisms across all investment units.</p> <p>(2)The retail industry for consumer goods and food and beverages faces sale of homogeneous products and high substitutability, as well as risks such as price-cutting competition among peers and market encroachment by businesses from different sectors (such as convenience stores and street vendors entering the food service market). These factors have resulted in market fragmentation and a decline in company profits. Furthermore, the fixed costs associated with operating physical stores are relatively high, including personnel expenses, rent, and depreciation. During economic downturn or changes in business districts, there is a risk of incurring losses. Additionally, the retail industry's limited scale of logistics affects the Corporation's overall efficiency of expansion.</p> <p>The management strategy for the consumer goods retail industry includes introducing new products from both domestic and international markets, as well as developing private-label products. The Corporation aims to strengthen customer relationship management (CRM) through data analysis to understand the consumption characteristics of various sales regions, thereby meeting the diverse needs for consumer goods and services within local residents and deepening its community presence. Marketing activities are used to strengthen member relationships and increase consumer recognition of the brand, avoiding participation in price wars. Simple Mart has introduced "Tomod's" shelves in its stores to enrich its drugstore product categories and set up a dedicated pet shelf area to expand its pet</p>

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Root Causes
	Yes	No	Summary	
				<p>retail ecosystem. The Corporation continues to optimize its warehouse management system, introduce electronic label to assist picking systems, implement automatic sorting systems, and introduce paper press machines and other automated equipment to reduce warehouse management costs and improve the efficiency of logistics operations.</p> <p>The market strategy for the food and retail businesses is to launch new styles or services as market demands change and continue to improve the taste of existing products. The Corporation has also completed the construction of a central kitchen to increase the self-manufacturing rate and maintain quality control.</p> <p>(3)As modern enterprises have become highly reliant on digital technologies and information systems to support business operations, there is a risk of facing attacks from hackers, ransomware, or theft of consumer's personal information or consumption data.</p> <p>The management strategy aims to strengthen the information security management of our company and ensure the security of personal data, core systems, and networks, we have established the Information Security Office as a dedicated unit responsible for information security. This office includes a Chief Information Security Officer, a dedicated information security manager, and at least two information security officers, who are responsible for the planning and execution of information security affairs. For related information, please refer to the explanation in 「 IV. Operational Highlights, 6 Information security management 」 of this annual report.</p> <p>5.Please refer to the corporate governance operations and integrity management performance-related chapters.</p>

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes																														
	Yes	No	Summary																															
<p>3. Environmental issues</p> <p>(1) Does the Company establish proper environmental management systems based on the characteristics of their industries?</p>	V		<p>(1) The Company complies with relevant regulations, including the Energy Administration Act, the Waste Disposal Act, the Regulations Governing General Waste Recycling, Clearance and Disposal, and the Water Pollution Control Act. Currently, the following certifications related to environment and energy have been passed or are currently valid:</p> <table border="1"> <thead> <tr> <th>Certification project</th> <th>Applicable companies</th> <th>Certification area</th> </tr> </thead> <tbody> <tr> <td>ISO 50001 Energy Management System</td> <td>Mercuries Life Insurance Co., Ltd. Neihu Headquarters</td> <td>Energy Management</td> </tr> <tr> <td>ISO 14001 Environmental Management System</td> <td>Mercuries Life Insurance Co., Ltd. Neihu Headquarters</td> <td>Environmental Management</td> </tr> <tr> <td>SO 46001 Water Resources Efficiency Management System</td> <td>Mercuries Life Insurance Co., Ltd. Neihu Headquarters</td> <td>Water Resources Management</td> </tr> <tr> <td>GHG Protocol Greenhouse Gas Inventory</td> <td>Mercuries Life Insurance Co., Ltd. Taiwan Branches</td> <td>Carbon Emissions Management</td> </tr> <tr> <td>ISO 50001:2018 Energy Management System</td> <td>Mercuries & Associates, Ltd. Headquarters and Shoes Family Store</td> <td>Energy Management</td> </tr> <tr> <td>ISO 14044 Life Cycle Assessment</td> <td>SCI Pharmtech, Inc.</td> <td>Green operation</td> </tr> <tr> <td>ISO 14067 Product Carbon Footprint</td> <td>SCI Pharmtech, Inc.</td> <td>Green operation</td> </tr> <tr> <td>Carbon Disclosure Programme (CDP) rating: B</td> <td>SCI Pharmtech, Inc.</td> <td>Green operation</td> </tr> <tr> <td>ISO 50001 Energy Management System</td> <td>SCI Pharmtech, Inc.</td> <td>Green operation</td> </tr> </tbody> </table>	Certification project	Applicable companies	Certification area	ISO 50001 Energy Management System	Mercuries Life Insurance Co., Ltd. Neihu Headquarters	Energy Management	ISO 14001 Environmental Management System	Mercuries Life Insurance Co., Ltd. Neihu Headquarters	Environmental Management	SO 46001 Water Resources Efficiency Management System	Mercuries Life Insurance Co., Ltd. Neihu Headquarters	Water Resources Management	GHG Protocol Greenhouse Gas Inventory	Mercuries Life Insurance Co., Ltd. Taiwan Branches	Carbon Emissions Management	ISO 50001:2018 Energy Management System	Mercuries & Associates, Ltd. Headquarters and Shoes Family Store	Energy Management	ISO 14044 Life Cycle Assessment	SCI Pharmtech, Inc.	Green operation	ISO 14067 Product Carbon Footprint	SCI Pharmtech, Inc.	Green operation	Carbon Disclosure Programme (CDP) rating: B	SCI Pharmtech, Inc.	Green operation	ISO 50001 Energy Management System	SCI Pharmtech, Inc.	Green operation	None.
Certification project	Applicable companies	Certification area																																
ISO 50001 Energy Management System	Mercuries Life Insurance Co., Ltd. Neihu Headquarters	Energy Management																																
ISO 14001 Environmental Management System	Mercuries Life Insurance Co., Ltd. Neihu Headquarters	Environmental Management																																
SO 46001 Water Resources Efficiency Management System	Mercuries Life Insurance Co., Ltd. Neihu Headquarters	Water Resources Management																																
GHG Protocol Greenhouse Gas Inventory	Mercuries Life Insurance Co., Ltd. Taiwan Branches	Carbon Emissions Management																																
ISO 50001:2018 Energy Management System	Mercuries & Associates, Ltd. Headquarters and Shoes Family Store	Energy Management																																
ISO 14044 Life Cycle Assessment	SCI Pharmtech, Inc.	Green operation																																
ISO 14067 Product Carbon Footprint	SCI Pharmtech, Inc.	Green operation																																
Carbon Disclosure Programme (CDP) rating: B	SCI Pharmtech, Inc.	Green operation																																
ISO 50001 Energy Management System	SCI Pharmtech, Inc.	Green operation																																
<p>(2) Does the Company improve energy efficiency and use renewable materials with reduced environmental impacts?</p>	V		<p>(2) The Company gives priority to the purchase of energy efficiency labeled equipment and products, such as continuous replacement with and use of energy-efficient lamps, selection of environmentally friendly toner and green building materials, and replacement with new refrigerant switches, to reduce the production of toxic waste and improve resource efficiency.</p> <p>1. The energy-saving measures and achievements of the stores are as follows:</p> <table border="1"> <thead> <tr> <th>Company</th> <th>Energy saving strategy</th> <th>Energy saving (kWh/Year)</th> <th>carbon equivalent reduction (tCO₂e)</th> <th>Reduction (GJ/Year)</th> </tr> </thead> <tbody> <tr> <td>Mercuries Life Insurance Co., Ltd.</td> <td>Install a 15,000 kWh solar power system, adjust elevator and air conditioning operating times, and upgrade LED lighting.</td> <td>31,433</td> <td>14.8992</td> <td>113.16</td> </tr> <tr> <td>Mercuries F&B Co., Ltd.</td> <td>The project included the introduction of 50 inverter air conditioners, upgrades to kitchen equipment, LED lighting in 217 stores, and replacement of air conditioners in 8 stores.</td> <td>2,000,000</td> <td>948.0000</td> <td>7,200.00</td> </tr> <tr> <td>SCI Pharmtech, Inc.</td> <td>Process energy optimization, solvent recovery and reuse, steam pipe insulation, energy-saving lamp replacement, and air compressor system leak detection.</td> <td>19,734</td> <td>9.3539</td> <td>71.04</td> </tr> <tr> <td>Simple Mart Retail Co., Ltd.</td> <td>87 inverter refrigeration units, 75 inverter air conditioners, 2,798 light fixtures, 32 shelf lights, 100 atrium lights, and electronic price card system implemented in 818 stores.</td> <td>15,494,280</td> <td>7,346.6587</td> <td>55,779.41</td> </tr> <tr> <td>Total</td> <td></td> <td>17,545,447</td> <td>8,318.9118</td> <td>63,163.61</td> </tr> </tbody> </table>	Company	Energy saving strategy	Energy saving (kWh/Year)	carbon equivalent reduction (tCO ₂ e)	Reduction (GJ/Year)	Mercuries Life Insurance Co., Ltd.	Install a 15,000 kWh solar power system, adjust elevator and air conditioning operating times, and upgrade LED lighting.	31,433	14.8992	113.16	Mercuries F&B Co., Ltd.	The project included the introduction of 50 inverter air conditioners, upgrades to kitchen equipment, LED lighting in 217 stores, and replacement of air conditioners in 8 stores.	2,000,000	948.0000	7,200.00	SCI Pharmtech, Inc.	Process energy optimization, solvent recovery and reuse, steam pipe insulation, energy-saving lamp replacement, and air compressor system leak detection.	19,734	9.3539	71.04	Simple Mart Retail Co., Ltd.	87 inverter refrigeration units, 75 inverter air conditioners, 2,798 light fixtures, 32 shelf lights, 100 atrium lights, and electronic price card system implemented in 818 stores.	15,494,280	7,346.6587	55,779.41	Total		17,545,447	8,318.9118	63,163.61	None.
Company	Energy saving strategy	Energy saving (kWh/Year)	carbon equivalent reduction (tCO ₂ e)	Reduction (GJ/Year)																														
Mercuries Life Insurance Co., Ltd.	Install a 15,000 kWh solar power system, adjust elevator and air conditioning operating times, and upgrade LED lighting.	31,433	14.8992	113.16																														
Mercuries F&B Co., Ltd.	The project included the introduction of 50 inverter air conditioners, upgrades to kitchen equipment, LED lighting in 217 stores, and replacement of air conditioners in 8 stores.	2,000,000	948.0000	7,200.00																														
SCI Pharmtech, Inc.	Process energy optimization, solvent recovery and reuse, steam pipe insulation, energy-saving lamp replacement, and air compressor system leak detection.	19,734	9.3539	71.04																														
Simple Mart Retail Co., Ltd.	87 inverter refrigeration units, 75 inverter air conditioners, 2,798 light fixtures, 32 shelf lights, 100 atrium lights, and electronic price card system implemented in 818 stores.	15,494,280	7,346.6587	55,779.41																														
Total		17,545,447	8,318.9118	63,163.61																														

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
(3) Has the company assessed the potential risks and opportunities arising from climate change at present and in the future and taken relevant response measures?	V		<p>*Energy reductions are calculated based on the electricity savings (kWh) achieved through various energy-saving measures, converted to joules using international unit conversion, where 1 kWh = 0.0036 GJ. Greenhouse gas reductions are calculated based on Taiwan's announced electricity carbon emission coefficient of 0.474 kgCO₂e/kWh (2024).</p> <p>2.SCI Pharmtech Inc. and France's Veolia Group jointly established Framosa Co., Ltd., co-developing a circular economy collaboration platform for the pharmaceutical industry. By implementing professional wastewater treatment facilities and reclaimed water systems, the Company enhances water recycling efficiency, enabling water to be reused approximately 2.5 times on average and reducing overall water footprints by 39%.</p> <p>In addition, through the integrated application of solvent recycling and water reclamation systems, it is estimated that approximately 11,000 tCO₂e of carbon emissions can be reduced annually, demonstrating SCI Pharmtech Inc.'s proactive efforts in promoting resource recycling and low-carbon manufacturing processes.</p> <p>(3) The Company analyzed climate risks based on four core TCFD pillars: governance, strategy, risk management, and metrics and targets, and incorporated crises and opportunities arising from climate change into business strategies to achieve sustainable development. With the recognition of the violent impact of climate change on human life, the Company is committed to raising employees' awareness of environmental protection, along with implementation of environmental protection measures at the Company, including replacing old lamps, actively implementing a non-return policy to suppliers in order to reduce pollution caused by the scrapping of products, and reducing the greenhouse gas emissions during transportation and waste processing in the process of product returning. The Greenhouse Gas Inventory and Reduction Implementation Committee established in 2022 conducted a greenhouse gas inventory and verification according to the "Sustainable Development Roadmap for Listed Companies." It shall report the implementation status and progress to the board of directors each quarter.</p>	None.
(4) Has the company the calculated the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and established the policies with regard to energy conservation and carbon reduction, greenhouse gas reduction, water consumption, and waste management?	V		<p>(4) The Company always views waste reduction and recycling as part of its commitment to environmental protection. Through a sound waste management system, the waste management procedures are implemented to improve the efficiency of recycling. With such stringent control, there has been no significant pollution incidents in recent years. We will also continuously adopt innovative and efficient treatments to reduce environmental pollution.</p> <p>At present, our subsidiaries manage waste in outlets in two main categories: general industrial waste and recyclable waste. General industrial waste is mainly treated by incineration, while recyclable waste is regularly removed by legal contractors for recycling. Ongoing efforts will be made by all subsidiaries to protect the environment.</p>	None.

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes																																																																																							
	Yes	No	Summary																																																																																								
			<p>1.The recovery status of each company in 2025 is shown in the table below: Unit: metric tons</p> <table border="1"> <thead> <tr> <th>Item/Company</th> <th>Mercuries F&B Co., Ltd.</th> <th>Mercuries Life Insurance Co., Ltd.</th> <th>Simple Mart Retail Co., Ltd.</th> <th>SCI Pharmtech, Inc.</th> <th>Other</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Solvent recovery</td> <td></td> <td></td> <td></td> <td>1,464.2</td> <td></td> <td>1,464.2</td> </tr> <tr> <td>General waste recycling</td> <td>655.4</td> <td>31.0</td> <td>410.5</td> <td>0.0</td> <td>44.0</td> <td>1,140.9</td> </tr> <tr> <td>(1) Resource Recycling Subtotal</td> <td>655.4</td> <td>31.0</td> <td>410.5</td> <td>1,464.2</td> <td>44.0</td> <td>2,605.1</td> </tr> <tr> <td>(2) Total waste</td> <td>832.2</td> <td>71.0</td> <td>485.6</td> <td>3,216.9</td> <td>221.7</td> <td>4,827.4</td> </tr> <tr> <td>Recovery Rate % (1)/(2)</td> <td>78.76%</td> <td>43.62%</td> <td>84.53%</td> <td>45.52%</td> <td>19.86%</td> <td>53.97%</td> </tr> </tbody> </table> <p>2.In 2025, the Group's high water consumption areas were mainly concentrated in the central kitchen of Mercuries F&B Co., Ltd. and the process water of SCI Pharmtech, Inc., Other subsidiaries were mostly offices or retail outlets, primarily using general domestic water, and did not involve high-polluting process water. Therefore, the water intake, water consumption, and wastewater discharge of the central kitchen of Mercuries F&B Co., Ltd. and SCI Pharmtech, Inc. are disclosed as follows:</p> <p>(1)Central kitchen of Mercuries F&B Co., Ltd.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total water intake (thousand tons)</th> <th>Total water consumption (thousand tons)</th> <th>Total wastewater volume (thousand tons)</th> <th>Wastewater/ Water Intake Ratio (%)</th> <th>Average COD (mg/L) of Amount of water released</th> <th>Average SS (mg/L) of Amount of water released</th> <th>Organic sludge removal (metric tons)</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>101.18</td> <td>19.49</td> <td>81.69</td> <td>80.7%</td> <td>113.57</td> <td>12.96</td> <td>255.89</td> </tr> <tr> <td>2024</td> <td>86.213</td> <td>17.243</td> <td>68.97</td> <td>80.0%</td> <td>41.11</td> <td>10.51</td> <td>205.58</td> </tr> </tbody> </table> <p>*The limits for entering the Dayuan Industrial Zone are: Chemical Oxygen Demand (COD) 480 mg/L and Suspended Solids (SS) 240 mg/L.</p> <p>(2) SCI Pharmtech, Inc.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total water intake (thousand tons)</th> <th>Total water consumption (thousand tons)</th> <th>Total wastewater volume (thousand tons)</th> <th>Wastewater/Water Intake Ratio (%)</th> <th>Average COD (mg/L) of Amount of water released</th> <th>Average SS (mg/L) of Amount of water released</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>155.68</td> <td>237.10</td> <td>94.75</td> <td>61.0%</td> <td>49.85</td> <td>10.15</td> </tr> <tr> <td>2024</td> <td>171.09</td> <td>260.12</td> <td>104.78</td> <td>61.0%</td> <td>46.6</td> <td>8.15</td> </tr> </tbody> </table> <p>*Applicable regulations and standards for wastewater discharge: Chemical oxygen demand (COD): 100 mg/L, suspended solids (SS): 30 mg/L.</p>	Item/Company	Mercuries F&B Co., Ltd.	Mercuries Life Insurance Co., Ltd.	Simple Mart Retail Co., Ltd.	SCI Pharmtech, Inc.	Other	Total	Solvent recovery				1,464.2		1,464.2	General waste recycling	655.4	31.0	410.5	0.0	44.0	1,140.9	(1) Resource Recycling Subtotal	655.4	31.0	410.5	1,464.2	44.0	2,605.1	(2) Total waste	832.2	71.0	485.6	3,216.9	221.7	4,827.4	Recovery Rate % (1)/(2)	78.76%	43.62%	84.53%	45.52%	19.86%	53.97%	Year	Total water intake (thousand tons)	Total water consumption (thousand tons)	Total wastewater volume (thousand tons)	Wastewater/ Water Intake Ratio (%)	Average COD (mg/L) of Amount of water released	Average SS (mg/L) of Amount of water released	Organic sludge removal (metric tons)	2025	101.18	19.49	81.69	80.7%	113.57	12.96	255.89	2024	86.213	17.243	68.97	80.0%	41.11	10.51	205.58	Year	Total water intake (thousand tons)	Total water consumption (thousand tons)	Total wastewater volume (thousand tons)	Wastewater/Water Intake Ratio (%)	Average COD (mg/L) of Amount of water released	Average SS (mg/L) of Amount of water released	2025	155.68	237.10	94.75	61.0%	49.85	10.15	2024	171.09	260.12	104.78	61.0%	46.6	8.15	
Item/Company	Mercuries F&B Co., Ltd.	Mercuries Life Insurance Co., Ltd.	Simple Mart Retail Co., Ltd.	SCI Pharmtech, Inc.	Other	Total																																																																																					
Solvent recovery				1,464.2		1,464.2																																																																																					
General waste recycling	655.4	31.0	410.5	0.0	44.0	1,140.9																																																																																					
(1) Resource Recycling Subtotal	655.4	31.0	410.5	1,464.2	44.0	2,605.1																																																																																					
(2) Total waste	832.2	71.0	485.6	3,216.9	221.7	4,827.4																																																																																					
Recovery Rate % (1)/(2)	78.76%	43.62%	84.53%	45.52%	19.86%	53.97%																																																																																					
Year	Total water intake (thousand tons)	Total water consumption (thousand tons)	Total wastewater volume (thousand tons)	Wastewater/ Water Intake Ratio (%)	Average COD (mg/L) of Amount of water released	Average SS (mg/L) of Amount of water released	Organic sludge removal (metric tons)																																																																																				
2025	101.18	19.49	81.69	80.7%	113.57	12.96	255.89																																																																																				
2024	86.213	17.243	68.97	80.0%	41.11	10.51	205.58																																																																																				
Year	Total water intake (thousand tons)	Total water consumption (thousand tons)	Total wastewater volume (thousand tons)	Wastewater/Water Intake Ratio (%)	Average COD (mg/L) of Amount of water released	Average SS (mg/L) of Amount of water released																																																																																					
2025	155.68	237.10	94.75	61.0%	49.85	10.15																																																																																					
2024	171.09	260.12	104.78	61.0%	46.6	8.15																																																																																					

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
			3. For greenhouse gas emissions over the past two years, please refer to 「Appendix 1-1-1 Greenhouse Gas Inventory Information, (6) Implementation of Climate-related Information」.	
4. Social Issues				
(1) Has the Company referred to relevant laws and international human rights instruments to stipulate relevant management policies and procedures?	V		(1) The Company recruited employees in a fair manner and hired people with disabilities and re-employed women according to the Labor Standards Act and related regulations to protect employees' rights. The Company respects the basic human rights of employees. The Company hires employees based on their education and work experience and treats every employee fairly regardless of nationality, political party, race, religion, gender, age, and disability. The Company bans the use of child labor or employees under 16 years old in compliance with related labor laws and regulations. The Company recruits employees through open channels, such as job banks, and fully discloses job vacancies to fulfill its policy of equal employment.	None.
(2) Does the company establish and implement reasonable employee welfare programs (including salary, leave, and other benefits) and adjust employee remuneration according to business performance?	V		(2) The Company has set up a salary and reward system that is in line with market competitiveness and employee career development according to employees' position ranking and job duties while providing leave benefits in accordance with the Labor Standards Act and providing benefits, including employee group insurance, festive gift certificates, various allowances, and long-term employment rewards. The Company has also formulated performance appraisal and promotion system, providing substantial rewards and promotion opportunities to employees with high performance and high potential so as to promote talent retention.	None.
(3) Has the Company provided employees safe and healthy working environments? Are employees given regular training courses on health and safety?	V		(3) Every company has established the Occupational Safety and Health Committee and the Employee Welfare Committee in accordance with the regulations. Each quarter, labor-management meetings and occupational safety and health committees are held, and various communication channels (such as company intranet, regular meetings, chairman's mailbox, etc.) are provided to enhance communication between labor and management. The Group strives to create a safe and healthy workplace by reviewing and improving the working environment regularly and preventing occupational diseases. To control and promote occupational safety and health in each business unit, the Company meets with each contact window every three months to understand the progress and propose corrective measures. The Occupational Safety and Health Management Office develops an annual Occupational Safety and Health Management Plan, conducts occupational safety and health education and training, promotes health through campaigns and seminars, arranges on-site medical and nursing services, analyzes and	None.

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
(4) Has the Company established effective career and competence development and training plans?	V		<p>prevents occupational accidents, and monitors the working environment.</p> <p>For details on employee personal health and safety and work environment protection measures and their implementation in each business sector, please refer to "IV. Operational Highlights, V. Labor relations, C. Employee Personal Health and Safety and Work Environment Protection Measures and Their Implementation" in this annual report.</p> <p>No fire incidents occurred in our company in the 2025 fiscal year.</p> <p>(4) Employees are provided with an open channel of promotion and comprehensive training programs, allowing them to perform duties required of their positions while acquiring necessary skills needed for promotion.</p> <p>Employees are provided with training courses based on their positions, and training courses are developed based on the organizational development, including internal lecturer training, management training, and professional training. Training is provided based on the concept of lifelong learning. Through a series of in-service training courses, employees can acquire core functions required for promotion. In addition, an e-learning platform is established to offer diverse and flexible learning environments that improve efficiency and competence.</p>	None.
(5) Does the Company follow relevant laws, regulations, and international guidelines for the customer health and safety, customer privacy, and marketing and labeling of its products and services and formulate consumer protection policies and grievance procedures?	V		<p>(5) The Company takes responsibility for its products and services, and take marketing ethics seriously. The process of procurement, production, operation, and service is all aimed at ensuring the information transparency and safety of products and services as well as quality service experience, and the consumer rights policy have been formulated, disclosed, and implemented in various operational activities, to prevent products or services from damaging consumers' rights, customer privacy health, and safety. Every product has passed inspection standards established by the relevant inspection agencies and is covered by liability insurance. The Company also upholds the customer-first approach, and has established a 0800 customer service hotline to respond to feedback immediately, improve the quality of service, and ultimately maximize customer satisfaction.</p> <p>The strategies for the quality control of retail products are as follows:</p> <ol style="list-style-type: none"> Mercuries F&B Co., Ltd.'s Central Kitchen has passed FSSC 22000 and HACCP certifications, valid until July 20, 2028; 100% of ingredients are traceable; and 81.7% of ingredients are sourced locally. In addition, the noodle factory of the central kitchen in Dayuan also passed the TQF renewal audit in July 2025 and obtained the verification certificate, which is valid until September 8, 2026. Strengthen independent inspection capabilities: The personnel of Mercuries F&B 	None.

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
			<p>Co., Ltd. participated in the TAF-accredited and ISO/IEC 17043-compliant microbiological proficiency test, Taiwan-US Inspection (SuperLab) Proficiency Test, from August to December 2025. The total viable count (AOAC 990.12), coliform group (AOAC 991.14), Escherichia coli (AOAC 991.14), "Salmonella", "Listeria monocytogenes", and "Enterobacteriaceae" all met the required standards. Through annual participation in proficiency testing organized by accredited laboratories, the testing capabilities of the inspectors are tested and understood to ensure the safety and quality of ingredients and final products.</p> <p>3.Implementation of Mercuries F&B Co., Ltd. Central Kitchen's 2025 monitoring plan is as follows:</p> <p>Raw material self-inspection: A total of 27 items were tested, comprising 700 samples, covering ingredients used by the Company's brands, such as Sanshang Qiaofu, Napoli Pizza, and Sanshang DonMono.</p> <p>Internal hygiene monitoring: A total of 431 sampling points were inspected, including 207 finished product sampling points, representing 88% of finished products produced by the central kitchen in 2025. In total, 1,333 self-inspections were conducted to ensure that the production and storage environment complied with hygiene standards.</p> <p>Third-party verification: A total of 212 samples, including 38 raw material items (representing 9.4% of all raw materials used by the central kitchen in 2025), 131 types of finished products (representing 56% of all finished products produced by the central kitchen in 2025), and 7 water quality samples, were tested by third-party verification bodies, with a 100% compliance rate.</p> <p>4.To achieve effective traceability at every stage from raw materials entering the factory to product delivery, Mercuries F&B records basic information such as raw materials, products, and suppliers through its internal ERP system. It also provides functions such as procurement and sales management, traceability management, order verification, production history logging, and uploading to the public cloud. Through systematic management, not only can manual and paper-based operations be reduced, but it also strengthens the traceability mechanism of raw materials for food suppliers. In 2025, the central kitchen produced a total of 207 finished products, all of which were 100% traceable and tracked in accordance with the "Measures for the Traceability and Tracking Management of Food and Related Products".</p> <p>5.Labeling: To protect consumers' rights, each product is clearly labeled to let consumers understand the product information according to the Commodity Labeling Act.</p>	

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Root Causes
	Yes	No	Summary	
			<p>6.Procedures for handling defective products: Products that are deemed by the procedures to be defective are immediately removed for return or retirement.</p> <p>7.The Company monitors products strictly by regularly performing sampling and inspections to ensure the stable supply of goods in compliance with laws and regulations. The quality of imported goods is also subject to strict control, which involves border inspections, customs clearance, and internal review of the Company.</p> <p>8.All products sold are labeled with necessary information such as place of origin, manufacturing date, ingredients, and materials. When selecting suppliers, the Company checks whether their products comply with the Commodity Labeling Act, Act Governing Food Safety and Sanitation, and other relevant regulations; suppliers are also required to enter into agreements to ensure that their ingredients, manufacturing, labeling, and advertising are in compliance with regulatory requirements and that their materials and products meet the quality standards and do not infringe on intellectual property rights of others.</p> <p>9.Simple Mart Retail Co., Ltd. has established the Supplier Management Policies and implemented the supplier evaluation, grading and classification mechanisms. Through contractual terms and relevant regulations, cooperating suppliers are required to comply with applicable regulations and the Company's management requirements regarding environmental protection, occupational safety and health, labor rights, and integrity management. In 2025, Simple Mart Retail Co., Ltd. promoted the Supplier Code of Conduct and required both new and existing suppliers to acknowledge and comply with its provisions. The code covers issues such as environmental management, pollution prevention, energy saving and carbon reduction, occupational safety and health, labor conditions, human rights protection, integrity management and business ethics. As of December 31, 2025, the signing rate of the Supplier Code of Conduct reached 99.15% Simple Mart Retail Co., Ltd. continues to communicate and track progress with suppliers that have yet to sign the code.</p> <p>The Company established an on-site audit system for the suppliers of self-owned brands and conducts supplier classification in accordance with internal operation procedures. Factory inspections are conducted by professionals. Inspection criteria include production management, quality control, and the status of legal compliance. Suppliers are classified into different tiers based on evaluation results, and corresponding audit frequencies and follow-up management measures (including improvement guidance, re-inspections, or adjustments to cooperation) are</p>	

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
			<p>implemented according to their respective tiers. As of December 31, 2025, a total of 59 contract suppliers had completed audits, with an evaluation rate of 94.9%. These include 37 A-tier suppliers (62%), 13 B-tier suppliers (23%), 7 C-tier suppliers (11.7%), 1 D-tier supplier (1.7%), and 1 E-tier supplier (1.6%).</p> <p>The Company conducts regular evaluations on contract manufacturers for private-label products, suppliers of general products, and suppliers of store supplies. The evaluation criteria incorporate environmental, social, and governance dimensions, covering environmental management, occupational safety and health, labor conditions, legal compliance, and integrity management. Suppliers must comply and fill out the "Supplier Sustainable Development Checklist", of which the evaluation results become the basis for supplier management and collaboration. Corresponding management measures are taken according to their respective results. As of December 31, 2025, 435 suppliers have completed self-assessments.</p> <p>Inspection of imported products is conducted in accordance with government border inspection procedures. In addition, the Company has established internal evaluation procedures to verify compliance with place of origin, ingredient and labeling requirements. Imported products may only be put on sale after the evaluation has been completed.</p> <p>Customer privacy :</p> <ol style="list-style-type: none"> 1.The Corporation has established internal notification system for personal data protection management. Externally, the Corporation includes personal protection clauses in contracts to ensure that all operational units, suppliers, and customers are personal data is protected. In addition, we utilize internal evaluation programs and external verification mechanisms to support each department in continuously reviewing the effectiveness of information security protection systems, with proper records maintained. The Corporation has also established appropriate disciplinary measures for personnel who violate its personal data protection management regulations. 2.Mercuries Life Insurance Inc. has obtained certification for the ISMS Information Security Management System (ISO 27001) and the PIMS Personal Information Management System (BS 10012), to ensure the delivery of high-quality services to customers and the proper protection of their personal data. To protect the rights and interests of consumers and customers, the Corporation implements financial consumer protection measures according to the Financial Consumer Protection Act. Following the Financial Supervisory Commission's "Implementation of Treating 	

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Root Causes
	Yes	No	Summary	
			<p>Customers Fairly Principles by Financial Institutions," we have built a corporate culture centered on "treating customers fairly" to enhance customers experiences. We have established "Operational Guidelines for Fair Customers Treatment Management Meetings" and hold meetings on fair customers treatment management quarterly. In 2025, a total of 4 meetings were held. Through these meetings, we jointly formulate implementation plans and measures to implement the ten principles of fair treatment for customers. Following each meeting, the matters discussed are reported to the Board of Directors to ensure the effectiveness of the execution. The involvement of the Board of Directors helps to cultivate fair treatment in the top-down culture within the Corporation.</p> <p>3. In 2025, Mercuries & Associates, Ltd. conducted information security assessments, including website, webpage, and app vulnerability scans, as well as penetration testing, to promptly identify issues and immediately schedule for resolution. Additionally, the Corporation planned the construction of a cloud network environment for the AWS system, demonstrating its commitment to maintaining the security of member data. In terms of enhancing the information security of the app: member passwords are encrypted, including database encryption. The password recovery process has been adjusted from previously sending passwords via SMS to sending verification codes via SMS. Members can use the code received to reset their password before logging in. This adjustment improves the security of member data during transmission.</p> <p>4. Mercuries F&B Co., Ltd. has established internal regulations on information security management, which include guidelines for reporting and handling information security incidents. When the 0800 customer service receives a complaint, it will either provide an immediate response or delegate the matter to the store for resolution. Only the content of the complaint will be recorded, and no personal customer information will be retained. The call records stored in the voicemail system are managed by designated personnel and included in the personal data inventory. For the Mercuries Card app, when a member applies for an account, the only required personal information is the mobile phone number and the date of birth in the Gregorian calendar. Registration can only be completed after the member selects and agrees to the service terms and privacy policies. To ensure the comprehensive protection of members' personal data, all information is stored in the Corporation's system and managed by designated personnel, with no physical records retained. In the event of relevant marketing activities, lottery events that require the announcement of list of</p>	

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
			<p>names, personal data will be de-identified. Once the retention period expires or the specific purpose no longer applies, personal data will be destroyed according to the Personal Data Destruction Process.</p> <p>5.Simple Mart Retail Co., Ltd. has established a personal data protection management procedure according to the Personal Data Protection Act. A dedicated personal data management unit was established, responsible for promoting personal data protection management matters. This includes regularly conducting personal data inventory, risk analysis, internal assessments, notification revisions, data destruction, and education and training. In accordance with human resource training requirements, both headquarters and store employees are required to complete mandatory online personal data courses and regularly conduct information security and social engineering drills. These efforts ensure the operation of the cybersecurity management system, covering areas such as network protection, protection of software and hardware, regular testing of cybersecurity environment, testing mobile apps, and social engineering drills through emails. Additionally, internal and external information security management training courses, education and advocacy programs on information security are conducted.</p> <p>Grievance procedures and process :</p> <p>1.The complaint process for Mercuries Life Insurance Inc. requires policyholders to submit their complaints in writing (mail to the Policyholder Complaint Center at No. 58, Shitan Road, Neihu District, Taipei City), by telephone (customer service hotline at 0800-022-258), by fax (02-2345-5747), or via email (callcenter@mail.mli.com.tw). Once a complaint is submitted, a designated personnel will accept and handle the case, and the complainant will be notified either by telephone or through a formal letter. All relevant information is disclosed on the Corporation’s official website.</p> <p>2.Mercuries & Associates, Ltd. handled a total of 548 customer service cases through the 0800 consumer service hotline and the email on the official website. All cases were properly addressed and resolved. In addition, the e-commerce department also provides customer service through platform systems and dedicated service hotlines. For instance, as of December 2025, Shopee Mall has received a total of 76,396 customer reviews, with approximately 96% of these being five-star ratings.</p> <p>3.In 2025, Mercuries F&B Co., Ltd. handled approximately 50,095 customer service cases through the 0800 consumer service hotline. The services covered a range of inquiries, including store promotions, store addresses and contact details, product recommendations, and the Mercuries Card app. Among these, approximately 67 cases</p>	

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
(6) Has the company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health, or labor rights, as well as supervised their compliance?	V		<p>were related to customer complaints, representing a 4% decrease compared to the previous year. The main categories of complaints included the quality of food preparation, service procedures, service attitude, environmental hygiene, and others. All cases were properly handled through the customer service process and responded to accordingly.</p> <p>4.Simple Mart Retail Co., Ltd. has established a customer service center where consumers can submit complaints and feedback through the customer service hotline and email. All cases are handled and responded uniformly by the customer service center, and the case is closed only after providing a satisfactory response to the consumer, ensuring the protection of consumer rights. In 2025, a total of 21,138 customer service cases were handled, all of which have been fully responded to.</p> <p>(6)Managing quality from the source, each subsidiary has established a supplier management and evaluation system applicable to its industry to ensure that its suppliers comply with laws and regulations in the process of manufacturing and providing products and services and also live up to the social expectations such as workplace health and safety, environmental protection, labor rights and ethics.</p> <p>Aiming for sustainable development and prosperity, the Company has also taken the initiative in guiding suppliers through standardization and computerized operations to improve their production capacities and yields. The establishment of long-term, close business relationships with suppliers can help both the Company and suppliers integrate the resources and competitive strengths required to tap into new markets. Therefore, our subsidiaries regularly hold supplier conferences each year to exchange ideas with suppliers, hoping to innovate together and provide customers with premium products and services.</p> <p>(1)Mercuries F&B Co., Ltd. starts with food safety control from the source, the Company insists on selecting qualified suppliers and conducts an evaluation of new and existing suppliers every year. Through rigorous supplier evaluation and audit systems, the Company can ensure that the raw materials and the products produced are safe. Before developing new suppliers or engaging in new raw material transactions, Simple Mart follows a rigorous evaluation process. This process assesses suppliers based on various certifications of their factories and evaluation grades in the product inspection reports, such as whether they have complied with relevant domestic regulations and standards and whether they have obtained the Good Hygiene Practices (GHP) food certification.</p> <p>Mercuries F&B Co., Ltd. 's supplier selection must be a legally registered company</p>	None.

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Root Causes
	Yes	No	Summary	
			<p>(agencies or importers) or factories; in addition, ingredients or suppliers certified, by Certified Agricultural Standards (CAS), Traceable Agriculture Product (TAP), Taiwan Quality Food Association (TQF), or the food safety management system of FSSC/ISO22000 & HACCP, are prioritized to ensure food safety together.</p> <p>1. In 2025, Mercuries F&B Co., Ltd. evaluated 19 new suppliers, and all of them passed the audit.</p> <p>2. In 2025, Mercuries F&B Co., Ltd. evaluated a total of 249 suppliers (evaluation rate 80%), of which 141 were Grade A suppliers (57%), 96 were Grade B suppliers (39%), and 12 were Grade C and D suppliers (4%). Grade C and D suppliers were those that needed improvement.</p> <p>(2) Mercuries & Associates, Ltd. divides the shoe supplier evaluation results into four levels: A (95 points or more) classified as excellent suppliers, B (94-85 points or more) as qualified suppliers, C (84-60 points) as suppliers which the division plans to reduce business dealings with and coaches, and D (less than 60 points) as suppliers that are not recommended for cooperation.</p> <p>In 2025, Family Shoes conducted the evaluation for 52 out of 95 suppliers (accounting for 54.7% of total suppliers), an 1.6% increase from last year. Among them, there are 21 rated grade-A excellent manufacturers (accounting for 40%); 30 grade-B qualified suppliers (accounting for 58%); suppliers rated C or below have had their cooperation terminated due to their products failing to meet the company's requirements. Additionally, 1,150 items were randomly sampled, and 100% passed inspection.</p> <p>(3) In order to strengthen supply chain management and sustainability risk control, Simple Mart Retail Co., Ltd. has established the Supplier Management Policies and implemented the supplier evaluation, grading and classification mechanisms. Through contractual terms and relevant regulations, cooperating suppliers are required to comply with applicable regulations and the Company's management requirements regarding environmental protection, occupational safety and health, labor rights, and integrity management.</p> <p>1. In 2025, Simple Mart Retail Co., Ltd. promoted the Supplier Code of Conduct and required both new and existing suppliers to acknowledge and comply with its provisions. The code covers issues such as environmental management, pollution prevention, energy saving and carbon reduction, occupational safety and health, labor conditions, human rights protection, integrity management and business ethics.</p>	

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Root Causes
	Yes	No	Summary	
			<p>As of December 31, 2025, the signing rate of the Supplier Code of Conduct reached 92.27%. Simple Mart Retail Co., Ltd. continues to communicate and track progress with suppliers that have yet to sign the code.</p> <p>2. On-site inspections and classification of Simple Mart Retail Co., Ltd. suppliers The Company established an on-site audit system for the suppliers of self-owned brands and conducts supplier classification in accordance with internal operation procedures. The Company's factory inspections are conducted by professionals. Inspection criteria include production management, quality control, and the status of legal compliance. Suppliers are classified into different tiers based on evaluation results, and corresponding audit frequencies and follow-up management measures (including improvement guidance, re-inspections, or adjustments to cooperation) are implemented according to their respective tiers. As of December 31, 2025, a total of 59 contract suppliers had completed audits, including 37 A-tier suppliers(63%), 13 B-tier suppliers (22%), 7 C-tier suppliers (12%), 1 D-tier supplier(1.5%), and 1 E-tier supplier (1.5%); a total of 12 suppliers had completed on-site inspections in 2025.</p> <p>3. Evaluation system of Simple Mart Retail Co., Ltd. suppliers The Company conducts regular evaluations on contract manufacturers for private-label products, suppliers of general products, and suppliers of store supplies in compliance with internal management policies. The evaluation criteria incorporate environmental, social, and governance dimensions, covering environmental management, occupational safety and health, labor conditions, legal compliance, and integrity management. Suppliers must comply and fill out the "Supplier Sustainable Development Checklist", of which the evaluation results become the basis for supplier management and collaboration. Corresponding management measures are taken according to their respective results. As of December 31, 2025, 435 suppliers have completed self-assessments.</p>	
5. Does the Company refer to the internationally accepted report preparation standards or guidelines to disclose its non-financial information in sustainability reports? Has the Company received assurance or certification of the aforesaid reports from a third-party accreditation institution?	V		5. Sustainability Report is compiled in accordance with the GRI:2021 Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI) and the AA1000:ASV3 Accountability Principles (AA1000AP Account Ability Principles); at the same time Conforms to the standard disclosure content of the "Operational Measures for the Preparation and Submission of Sustainability Reports of Listed Companies" revised by the Taiwan Stock Exchange on May 5, 2025. In addition, Corporate	None.

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
			<p>Governance 3.0 requires listed companies to refer to the disclosure standards issued by the Sustainability Accounting Standards Board (SASB) to enhance the disclosure of information in sustainability reports. Mercuries & Associates Holding, Ltd.'s main revenue industry falls under the SASB standard category of 'FN-IN Insurance Industry'. For more details, please refer to the sustainability report of Mercuries Life Insurance.</p> <p>The Company's 2024 Sustainability report was reviewed by BSI Taiwan in accordance with the Core option of the GRI Standards, and an audit statement was obtained, indicating that the Sustainability published by the Company was in line with the GRI Standards and that the self-certification conformed to the Core option of the GRI Standard, at the same time, the AA 1000 AS guarantee standard is obtained, and approved by the Board of Directors on August 14, 2025.</p> <p>The 2025 Sustainability report is currently under review by BSI Taiwan and is expected to be completed in June 2026. The Company has set up a website and will disclose the Sustainability Report and relevant ESG information in the ESG section of the website.</p>	

6. Where the Company has stipulated its own sustainable development best practices according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any gaps between the prescribed best practices and actual activities taken by the Company: None.

7. Other important information useful for understanding the state of sustainable development:

Based on the intention of "Taken from society. Give back to society", the Company and subsidiaries pay attention to public issues, care for the underprivileged, actively organize and participate in public welfare activities, fulfill the responsibility of corporate citizens and give back to the society. The relevant information is summarized below:

- (1) To fulfill the principle of giving back to society, the Company calls on employees to participate in social welfare activities as volunteers.
- (2) The Company organizes the Mercuries Cup Road Race, the Mercuries Taiwan Masters Invitational Golf Tournament, and Chinese Slow Pitch Softball Association events with its sponsors every year to promote sports activities.
- (3) Mercuries Life Insurance Co., Ltd. has long devoted in social welfare activities, paid attention to the underprivileged, and continued to spread warmth and care to every corner of the society.
 1. Focusing on the prevention of "health risks" for the population, we have provided long-term support for the development of domestic sports, which in turn helps cultivate a strong physique, raise awareness of health risk management, and promote various sports events for over 10 years. We make every effort to promote sports-oriented atmosphere. In 2025, an investment of NT\$31.96 million was made, benefiting 45,000 individuals. The goal is to promote health risk management awareness by encouraging participation in sports events, thereby promoting the development of national health. Provision of Campus Internships: We aim to provide academic and practical exchanges by offering internship programs with multiple universities for university students and collaborating with departments related to insurance, finance, banking and other relevant fields. Our goal is to reduce the gap between education and application while promoting the connection between students and practical work.

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
<p>2. Caring for the physical and mental well-being of children</p> <p>Children are the seedlings of future hope. For 22 consecutive years, we have organized the "Policyholder Children's Outdoor Drawing Competition," encouraging policyholders to spend quality weekend time with their children through outdoor sketching activities. This initiative not only enhances parent-child bonding but also promotes children's physical and mental development. Additionally, we have sponsored the Taiwan Fund for Children and Families' Endless Generation campaign for 14 consecutive years, supporting underprivileged children through charitable initiatives. These efforts help maintain their quality of life, enable stable learning, and foster their independence. A total of 9,717 children were benefited in 2025.</p>				
<p>3. Promoting Education on Financial Inclusion</p> <p>We actively develop financial products tailored to the needs of the elderly and disadvantaged groups while leveraging our professional expertise, to organize a variety of financial education activities, including financial education courses for elementary schools in remote areas, financial planning seminars for policyholders, summer camps focused on financial management for policyholders' children, public welfare activities focused on elderly care, public lectures on fraud preventions at universities, and interactive fraud prevention activities. These initiatives aim to foster sound financial management principles and enhance fraud awareness among students, policyholders, university students, seniors, and the general public. In 2025, a total of 59 events were held, benefiting 8,732 individuals.</p>				
<p>4. Promoting the Academic Development of Insurance</p> <p>(1) Supporting Academic Development: For 12 consecutive years, we have sponsored the Risk and Insurance Research Center at National Chengchi University to invest in academic research in insurance. Additionally, for 8 consecutive years, we have supported the Commercialization of Scientific Research Alliance at National Chengchi University to support innovation in financial technology, and for 11 consecutive years, we have collaborated with the RMIM Education Foundation to donate copies of RMIM Health and Financial Magazine. Furthermore, we sponsored 6 major forums in 2025, including the 2025 East Asian Insurance Forum, the 2026 Insurance Economic Development Forum, the 2025 ETtoday Anti-Fraud Forum, the 2025 Wealth Magazine Trend Forum, the Corporate Governance and Family Inheritance Seminar, and the 19th National Insurance and Financial Education Seminar.</p> <p>(2) Provision of Campus Internships: We aim to provide academic and practical exchanges by offering internship programs with multiple universities for university students and collaborating with departments related to insurance, finance, banking and other relevant fields. Our goal is to reduce the gap between education and application while promoting the connection between students and practical work.</p>				
<p>5. Engaging in Public Welfare Programs</p> <p>(1) Promoting Microinsurance: Since 2014, we have been actively promoting microinsurance by collaborating with universities, the Child Welfare League Foundation, the Association for Victims Support, Nantou County Government, and other schools, social welfare organizations, and local governments. Through the donation of insurance premiums, we provide one-year micro personal injury insurance to economically disadvantaged individuals and students who are exempted from tuition and miscellaneous fees at universities. The maximum coverage per person can reach NT\$500,000, which assists in alleviating the economic impact on families caused by unexpected accidents. In 2025, the recipients included Ming Chuan University and 18 other universities, National Tainan Commercial Vocational Senior High School, Association for Victims Support, Chia-Yi Fu An Wang Ya Charity, Puzai Mazu Micro-Philanthropy Association of Chiayi County, and the Keelung City Government. A total of over 22,000 individuals were insured, with donated premiums exceeding NT\$5.33 million. As of 2025, a total investment exceeding NT\$44 million has been made, with the cumulative number of insured individuals surpassing 180,000.</p>				

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and Root Causes
	Yes	No	Summary	
<p>(2) Hosting the "Mercuries with Love, Always Passionate" Blood Donation Campaign: A total of 92 events were conducted, with 4,999 bags of blood donated. In addition, a donation of NT\$100,000 was also made to the Taiwan Foundation for Rare Disorders in support of the "Medical Care Program for Children with Rare Disorders".</p> <p>(3) Hosting the "Take a Pause, Play Badminton with Love" Respite Activity for Rare Disease Caregivers: A total of 3 events were conducted. 172 caregivers and individuals with rare diseases participated in badminton activities to relieve stress.</p> <p>(4) Participating in the "Children's Carnival: Walking together for Rare Care" Charity Walk Event: Interactive booths were set up at the event to engage families with rare diseases and encourage them to step outdoors, with a total of 450 families participating.</p> <p>(5) Participating in the "Taipei 101 Run Up": Donated NT\$400,000 to "Teach for Taiwan (TFT)" to support the development of children and youth with practical action.</p> <p>(6) Participating in the "Ya Te Cup" Sports Event for Individuals with Intellectual Disabilities: Provided travel insurance coverage for 3,675 participants, ensuring the safety of students, teachers and parents, and creating a safe and friendly sports environment.</p> <p>(7) Participating in the "Walk with Trees, Grow a Forest of Health" Program: A total of 9 saplings of species native to Taiwan were planted.</p> <p>6. Sustainability and Community Service</p> <p>We continue to encourage employees to participate in public welfare, focusing on ecological conservation and supporting disadvantaged groups in need of assistance, in order to fulfill corporate sustainability. In 2025, a total of 98 public welfare activities were conducted, with 1,583 individuals volunteering. Based on an estimated 3 hours of service per person, the total service hours amounted to 4,749 hours.</p> <p>(1) Volunteers to care for Vulnerable Groups: A total of 20 events were conducted with 343 volunteers. Volunteers took part in activities initiated by Hueiming Kindergarten for Blind Children, Institute for the Blind, Bade Long-Term Care Center for the Elderly, and Andrew Charity Association. For 27 years, Mercuries Life Insurance Co., Ltd. has sponsored the "Yate Cup Games for Individuals with Intellectual Disabilities" to provide insurance coverage to protect students with physical and mental disabilities. This initiative allows students to participate in sports, enhancing their physical fitness and self-confidence, thereby enabling them to better integrate into society.</p> <p>(2) Volunteers for Promoting Financial Education: A total of 43 events were held, with 387 volunteers. Employees leveraged their financial expertise to serve as volunteers in various activities, including financial education courses in remote areas, summer camps focused on financial management for policyholders' children, elderly care, public lectures on fraud preventions at universities, and interactive fraud prevention activities, serving as group leaders and activity station facilitators during the activities. These initiatives aim to foster sound financial management principles and enhance fraud awareness among students from rural areas and Indigenous Peoples, policyholders, university students, seniors, and the general public.</p> <p>(3) Ecological and Environmental Conservation Volunteers: A total of 13 events were conducted, with 521 volunteers. The Company focused on three aspects, which are waste reduction, plastic reduction, and carbon reduction, by organizing large-scale ecological conservation events. These activities included beach clean-ups along the Gaomei Wetlands in Taichung and the Zhuwei Fishing Harbor in Taoyuan. As a result, 273 kilograms of marine waste were removed, and for 2 consecutive years, 100 native coastal tree saplings were planted in the Qieding Wetlands in Kaohsiung, thereby contributing to environmental protection and ecological conservation.</p>				

Assessed Items	State of Operations			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and Root Causes
	Yes	No	Summary	
<p>(4)"Mercuries with Love, Always Passionate" Blood Donation Campaign: A total of 22 events were held, with 332 participants. We maintain a long-standing partnership of 26 consecutive years with the Taiwan Blood Services Foundation, conducting annual blood donation activities. In 2025, a donation of NT\$100,000 was also made to the Taiwan Foundation for Rare Disorders. Additionally, individuals with rare diseases were invited to participate in charity sales at blood donation events. We encourage the public to donate blood and attend charity sales to support individuals with rare diseases. A total of 4,999 bags of blood were donated across Taiwan in 2025, with the cumulative total exceeding 60,000 bags over the years.</p> <p>7. Cultural and Arts Promotion</p> <p>For 17 consecutive years, we have carried out campus roadshow exhibitions. In 2025, themed around a "Travel Expo", we visited major colleges and universities across Taiwan. Through interactive booths, including themes such as itinerary planning, campus briefings, and graduation trip information, we engaged students while integrating entertainment, insurance, and financial education resources. Leveraging its expertise in risk management, Mercuries Life Insurance enhanced college students' financial literacy and safety awareness through interactive activities. In 2025, a total of 15 events were held, with approximately 1,818 individuals engaged and 114 employees participated.</p> <p>In addition, we sponsored major arts and cultural events, including the "2025 Summer Concert" by the Taijiang Wind Band, the 2025 Energy Concert at Kaohsiung Arena, and Della's "A Night Tour" Concert Tour, benefiting more than 20,000 individuals and promoting public appreciation of the arts through everyday engagement.</p> <p>(4) Mercuries F&B Co., Ltd. collaborated with social service agencies to hold charity cooking activities in friendly restaurants. In 2025, we served approximately 1,000 students and teachers.</p> <p>(5) The 'Hope Good Cafeteria' of Mercuries F&B and other industry partners are working together to promote the upgrade of compassionate meals 2.0. They are assisting vulnerable groups in need by providing meal exchanges and designing customized meals for this project, taking into consideration the nutritional needs of disadvantaged citizens. In 2025, a total of over 6,611 meals were provided.</p> <p>(6) Mercuries F&B Co., Ltd. also responded to the 'New Taipei City Good Day Love Big Platform Dining Plan' and joined the meal supply team in September 2022 in collaboration with the New Taipei City Government Social Affairs Bureau. They sponsored love meal vouchers and provided a variety of rich lunch boxes to help vulnerable populations have enough to eat. In 2025, they have assisted over 16,919 individuals.</p> <p>(7) Mercuries F&B Co., Ltd.'s also joined the eFOOOD Food Sharing Map in 2022 year, integrating 358 stores across Taiwan to provide abundant dining resources from local non-profit organizations and share warmth with vulnerable groups in need. In 2025, Mercuries F&B has provided over 3,429 meals.</p> <p>(8) Mercuries & Associates, Ltd. has long sponsored charitable organizations by providing shoe vouchers to children from disadvantaged families. In 2025, the sponsorship amount reached NT\$647 thousand. Additionally, we have long sponsored the Single-Shoes Bank, donating a total of 746 single-legged shoes to foot-disabled consumers in 2025.</p> <p>(9) In 2025, Simple Mart Retail Co., Ltd. promoted the "Food Waste Reduction Program" and the "New Year Meal Donation Initiative", contributing a total investment of NT\$1.32 million (including matching donations).</p> <p>(10) The Foundation of Chinese Dietary Culture provided scholarships for master and doctoral papers.</p> <p>(11) Charity donations were held every now and then to care for the underprivileged. The Corporation actively worked with the government to promote various policies in environmental protection as well as energy saving and carbon reduction measures to fulfill CSR requirements.</p>				

(6) Implementation of Climate-related Information

Item	State of Implementation	
<p>1. The supervision and governance of climate-related risks and opportunities by the Board of Directors and management.</p>	Board of Directors	<p>The Corporation's Board of Directors is the highest supervisory body for enterprise risk management and climate issues. The Board is responsible for overseeing the identification, management, and response strategies of climate risks and opportunities, and bears ultimate responsibility for climate change risk management. To strengthen its sustainable governance framework, the Company previously established the Sustainability Development Committee, as approved by the Board of Directors on July 31, 2024, and formulated relevant organizational regulations and a sustainability information management system. Corresponding internal control and audit-related policies were also revised in parallel. In 2025, the Board of Directors regularly reviewed the evaluation results of climate risks and opportunities, as well as the relevant response strategies. On August 14, 2025, the Board of Directors approved the 2024 ESG Report, ensuring the completeness and accuracy of the information disclosed. On March 13, 2026, the Board of Directors established the "Procedures for preparing and submitting a dedicated chapter on sustainable financial information in annual reports" and the "Sustainable Risk and Opportunity Management Procedures". Amendments to the "Sustainable Development Best Practice Principles ", " Organizational Charter of the Sustainability Development Committee ", "The Rules Governing the management of sustainability information", "The operational procedure for preparation and assurance of the sustainability report", and the "Greenhouse Gas Inventory Management Procedure" have been completed.</p>
	ESG Committee	<p>The committee is responsible for formulating, promoting, and strengthening the Corporation's policies on sustainable development. The "Greenhouse Gas Inventory and Reduction Implementation Team," which operates under its jurisdiction is responsible for supervising and managing the annual climate-related risks and opportunities, as well as overall strategies. The team regularly reviews, monitors, and adjusts the implementation of related matters. The committee reported the progress of the greenhouse gas inventory and verification schedule to the Board of Directors on February 27, April 30, July 30 and October 31, 2025, and February 26, 2026.</p>
<p>2. Explanation of how the identified climate risks and opportunities affect the business, strategy, and finances of the company (short-term, medium-term, long-term).</p>	Short-term	<ol style="list-style-type: none"> (1) Extreme weather events may result in short-term heavy rainfall, leading to damage to store equipment and production output, increased operating costs due to equipment repairs, interruptions in the supply of raw materials, and temporary suspension of store operations, resulting in reduced revenue. (2) Implement daily automatic inspection operations, such as store building inspections, electrical safety inspections, regular equipment maintenance and servicing, to ensure equipment operational efficiency and reduce emergency hazards and maintenance costs. (3) Establish a mechanism for reporting major incidents and providing logistical support, conduct risk assessments for natural disasters, and develop emergency response plans and disaster recovery plans to ensure timely resumption of business operations following climate disasters.
	Mid-term	<ol style="list-style-type: none"> (1) Subsidiaries in the retail industry should improve transportation methods and distribution processes, increase local procurement ratios, implement automated operations, and transition to high-energy resource-efficient buildings or hardware equipment. (2) In the future, we will gradually evaluate the introduction of a 'carbon footprint' label for our company's products/services to enhance consumer recognition and further drive revenue growth. (3) The food and beverage industry and the retail industry of daily necessities support local small farmers, enhancing their positive image and stimulating demand growth. (4) Establish a dedicated unit to coordinate with government departments on policy implementation, explore opportunities for carbon emission reduction offsetting, and continuously monitor regulatory trends to avoid any risk of non-compliance penalties.
	Long-term	<ol style="list-style-type: none"> (1) Preemptively implement corporate energy management and energy-saving and carbon reduction plans to gradually reduce greenhouse gas emissions (such as establishing an energy management system, implementing energy-saving initiatives, gradually replacing energy-consuming equipment, increasing resource waste recycling rates, and procuring green energy) in order to mitigate the financial impact of future carbon fees on the company. (2) Actively invest in sustainable investment targets and develop a circular economy to achieve sustainability goals. (3) Seeking feasible solutions to the increasing cost of electricity for air conditioning and refrigeration equipment in stores due to the rising global average temperature. (4) In recent years, the increasing environmental awareness among consumers has led to changes in consumer habits. Only by developing sustainable products early and diversifying operations can we promptly respond to consumer expectations and maintain and increase business revenue. (5) Reducing the risk of climate change that may lead to changes in the production cycle and quality of food raw materials resulting in unstable market supply and increased procurement costs.

Item	State of Implementation	
3. Explain the impact of extreme weather events and transition actions on finance.	Policy and Regulations	<ul style="list-style-type: none"> (1) The government will impose carbon fees/taxes on businesses in the future, leading to increased operating costs. (2) According to the Climate Change Response Act and the Sustainable Development Roadmap, our company is required to conduct an annual inventory of greenhouse gases starting from 2023. (3) Third-party verification will increase related administrative expenses. (4) With the increasing stringency of global climate policies, it is expected that our company will face more climate regulations in the future. Failure to respond in a timely manner may result in penalties for non-compliance and a decline in corporate reputation. (5) At 1.5°C, the estimated carbon cost is approximately NT\$230 million per year.
	Technology	<ul style="list-style-type: none"> (1) Enterprises need to engage in activities such as replacing outdated energy-saving equipment, maintaining equipment, and cultivating talent for green economy transformation, which may lead to an increase in operating costs. (2) In recent years, in order to achieve a circular economy and sustainable business model, pharmaceutical companies have been investing in product purification outsourcing technology. However, if there are errors in positioning or investment targets, or if they encounter technical bottlenecks, it may result in investment losses. (3) Medium-term investments in low-carbon technologies and equipment transformation (such as renewable energy) will increase capital expenditures and operating costs, with a total estimated amount of approximately NT\$ 34 million to NT\$ 68 million.
	Market	<ul style="list-style-type: none"> (1) Extreme climate change could potentially lead to changes in consumer behavior in the long term, consumer preferences are shifting towards low-carbon products and services, impacting the existing product demand structure. If businesses do not undergo timely operational transformation, they may face the risk of being eliminated from the market and experiencing a decline in revenue. (2) In the process of transitioning to a sustainable product business model, the competitiveness of purchasing environmentally friendly raw materials or ingredients is easily affected by market prices, resulting in increased operating costs and profit impact. (3) Extreme weather conditions at 4°C will lead to increased global supply chain costs, with estimated annual changes in procurement costs of approximately NT\$ 17.5 million per year.
	Honor	Due to the rising awareness of sustainability among the general public, stakeholders (customers/shareholders/non-profit organizations/media/community) may have negative opinions and messages about our products or services, which could potentially impact the reputation of our company.
4. How to integrate the process of identifying, assessing, and managing climate risks into the overall risk management system.	Introduction of TCFD	The company has developed a climate risk management process based on the TCFD framework, which discloses four core elements: governance, strategy, risk management, and metrics and targets, as well as the framework for assessing climate-related risks, opportunities, and financial impacts. The company identifies climate risks and opportunities, sets energy-saving and carbon reduction targets, and regularly reports on them to the Corporate Sustainability Committee for approval by senior executives.
	Process of Climate Risk Identification and Management	<ul style="list-style-type: none"> (1) Each department of the company identifies climate risks and opportunities that may have a significant impact on operations, based on their respective business scopes. (2) The various departments of the company assess operational and financial impacts based on identified significant climate risks and opportunities, and propose response strategies and objectives. (3) The Corporate Sustainability Development Committee is responsible for consolidating and verifying the operational, financial, strategic, and regulatory compliance of each business department. It communicates with and supervises each department's performance in accordance with risk management measures, and regularly reports to the Board of Directors. This information is disclosed in the Corporate Sustainability Report.
5. If using scenario analysis to assess resilience to climate change risks, the context, parameters, assumptions, analysis factors, and major financial impacts should be explained.	The Company adopts International Climate Scenarios (IPCC AR6 and IEA Net Zero 2050), using global warming scenarios of 1.5°C and 4°C as the basis for analysis. Assumptions include annual emissions of approximately 120,000 tCO ₂ e and relevant operational data. Factors such as carbon price fluctuations, the pace of energy transitions, and the frequency of extreme weather events are considered to assess the impacts on operating costs, asset values, and insurance risks. The analysis indicates that under the 1.5°C scenario, climate-related factors are expected to increase net costs by approximately NT\$270 million per year, serving as a key reference for the Company's strategic planning and risk management.	

Item	State of Implementation
6. If there is a transformation plan to address climate-related risks, please explain the content of the plan, as well as the indicators and objectives used to identify and manage physical risks and transition risks.	<p>In addition, Sci Pharm has established Framosa Co., Ltd. in collaboration with the Veolia Group of France. By introducing solvent recycling and water reclamation systems, the initiative enhances resource efficiency and reduces carbon emissions through circular production processes. The project helps reduce raw material consumption and energy expenditure, addresses increasingly stringent carbon price policies and regulations, and mitigates water shortage risks posed by extreme climates. Relevant technologies have also been gradually implemented into new plant construction to strengthen operational resilience.</p> <p>In terms of management indicators, the Company continuously tracks the number of solvent recycling cycles (3-5 times), water reuse efficiency (approximately 2.5 times), reduction in water footprint (approximately 39%), and annual reduction of greenhouse gas emissions (approximately 11,000 tCO_{2e}), in order to effectively manage climate-related risks and support low-carbon transition targets.</p>
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	Our company has not yet used internal carbon pricing as a planning tool.
8. If climate-related goals are set, the activities covered, greenhouse gas emissions scope, planning schedule, annual progress, and other information should be explained. If carbon offsetting or renewable energy certificates (RECs) are used to achieve the goals, the source and quantity of carbon offset or the quantity of RECs should be specified.	<p>(1) According to the Financial Supervisory Commission's roadmap for sustainable development, our company has completed the greenhouse gas inventory and third-party verification for the individual company in 2024, and in 2025, we continued to complete greenhouse gas inventory and third-party verification work for individual companies. The consolidated subsidiaries completed their greenhouse gas inventory in 2025 and are expected to complete the verification in 2027. Priority should be given to the investigation/verification of Category 1 and Category 2, and the investigation of Category 3 emissions sources should be gradually included based on the significance of operations in different subsidiaries.</p> <p>(2) Please refer to Table 1-2 for climate-related goals.</p> <p>(3) Currently, there are no carbon offset or renewable energy certificate (REC) usage.</p>
9. Inventory of greenhouse gases and confirmation of the situation, reduction targets, strategies, and specific action plans (to be filled in 1-1 and 1-2).	Check and confirm the information and reduction goals, as detailed in Table 1-1 and 1-2.

Instructions for filling out the form:

1. The information in Categories 1 and 2 of this form shall be processed in accordance with the schedule prescribed in Article 10, Paragraph 2 of these regulations. Category 3 information may be voluntarily disclosed by the enterprise.
2. The company can conduct a greenhouse gas inventory according to the following criteria:
 - (1) Greenhouse Gas Protocol (GHG Protocol).
 - (2) ISO 14064-1, published by the International Organization for Standardization (ISO).
3. The institution should comply with the relevant regulations of the Taiwan Stock Exchange Corporation and the GreTai Securities Market Foundation for the preparation of sustainability reports.
4. Subsidiaries can report individually, report collectively (e.g., by country or region), or report in consolidated form (Note 1).
5. The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue, but at least the data calculated based on revenue (in million New Taiwan Dollars) should be disclosed (Note 2).
6. The proportion of emissions from operational sites or subsidiaries that are not included in the investigation calculation shall not exceed 5%. The aforementioned total emissions refer to the emissions calculated based on the mandatory investigation scope as described in Form 1.
7. The explanation of the circumstances of assurance should summarize the content of the assurance report of the assurance institution and attach the complete assurance opinion letter to the annual report (Note 3).

1-1 Company Greenhouse Gas Inventory and Verification Status in the Past Two Years

1-1-1 Greenhouse Gas Inventory Information

The emissions (in metric tons of CO₂e), intensity (in metric tons of CO₂e per million dollars), and data coverage of greenhouse gases in the past two years are presented.

Year	2024		2025			
Category 1	Total Emissions (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/million dollars)	Total Emissions (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/million dollars)		
The Company	1.0909	-	1.0184	-		
Subsidiary	14,851.4906		19,458.1827			
Sub-total	14,852.5815		19,459.2011			
Category 2	Total Emissions (metric tons CO ₂ e)		Total Emissions (metric tons CO ₂ e)			
The Company	97.2879		71.1474			
Subsidiary	104,690.2715		105,029.4114			
Sub-total	104,787.5594		105,100.5588			
Total	119,640.1409		0.5908		124,559.7599	0.7764

Note 1: The benchmark year for the subsidiary inventory is 2024. The audit has been completed for Mercuries Life Insurance Co., Ltd., and the other subsidiaries will disclose the audit data for 2026 in 2027.

Note 2: Consolidated operating revenue for the 2024 year was NT\$202,518 million; consolidated operating revenue for the 2025 year was NT\$160,442 million.

Note 1: Direct emissions (Category 1, emissions directly from sources owned or controlled by the company), energy indirect emissions (Category 2, emissions resulting from the use of purchased electricity, heat, or steam).

Note 2: The data on direct emissions and energy indirect emissions should be reported in accordance with Article 4.1, Item 2 of the Operating Rules for the Preparation and Submission of Sustainability Reports by Listed Companies of the Taiwan Stock Exchange (hereinafter referred to as the 'Operating Rules'). Other information on indirect emissions may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or International Organization for Standardization (ISO) published ISO 14064-1.

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue, but at least the data calculated based on revenue (in million New Taiwan Dollars).

1-1-2 Greenhouse Gas Confirmation Information

Describe the status of assurance for the most recent 2 fiscal years, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Year	2024		2025	
Parent company	Confirming institution	Explanation of the situation	Confirming institution	Explanation of the situation
Categories 1, 2	BSI British Standards Institution	Obtain BSI Reasonable Assurance Statement in accordance with GHG Protocol standards.	BSI British Standards Institution	Obtain BSI Reasonable Assurance Statement in accordance with GHG Protocol standards.

Note 1: According to the schedule of the 'Sustainable Development Roadmap for Listed Companies,' our company's individual parent company completed verification in the 2024 year; the consolidated financial statements subsidiary will complete verification in the 2027 year.

Note 1: The process should be carried out in accordance with the schedule specified in Article 4, Section 1, Item 3 of these operating procedures.

Note 2: The confirming institution should comply with the relevant regulations of the Taiwan Stock Exchange Corporation and the GreTai Securities Market Foundation for the preparation of sustainability reports.

Note 3: For disclosure details, please refer to the Best Practice Reference Examples on the Taiwan Stock Exchange Corporate Governance Center website.

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

Explanation of the baseline year and data, reduction targets, strategies, specific action plans, and the achievement of reduction targets for greenhouse gas emissions.

Risk/Opportunity Indicators	Achievement in 2024 year	Achievement in 2025 year	Short-term Goals for 2025-2027	Mid-term Goals for 2028-2034	Long-term goal for 2035 and beyond
Greenhouse Gas Emissions from Operations (Scope 1 & 2)	In 2024, the total carbon emissions of our company were 98.3788 metric tons of CO ₂ e.	In 2025, the total carbon emissions of our company were 72.1658 metric tons of CO ₂ e.	Based on the year 2024 as the reference year, the total carbon emissions will be reduced by 3% over the next 3 years.	Setting a 10% cumulative reduction in carbon emissions for 2034 relative to the baseline year of 2024.	Setting a 20% cumulative reduction in carbon emissions for 2035 relative to the baseline year of 2024.
Self-energy consumption (electricity usage)	For the company's individual inventory, the baseline year is 2024, and the total electricity consumption is 196,939 kilowatt-hours.	For the company's individual inventory, the baseline year is 2025, and the total electricity consumption is 150,100 kilowatt-hours.	Using the baseline year 2024, the goal is to reduce electricity consumption by 3% over the next 3 years.	Using the baseline year 2024, the goal is to reduce electricity consumption by 10% in 2034.	Using the baseline year 2024, the goal is to reduce electricity consumption by 20% in 2035.
Self-resource usage (water consumption)	For the company's individual inventory, the baseline year is 2024, and the total water consumption is 2,086.5 cubic meters.	For the company's individual inventory, the baseline year is 2025, and the total water consumption is 1,711.3 cubic meters.	Using the baseline year 2024, the goal is to reduce water consumption by 3% over the next 3 years.	Using the baseline year 2024, the goal is to reduce water consumption by 10% in 2034.	Using the baseline year 2024, the goal is to reduce water consumption by 20% in 2035.
Renewable Energy Usage Ratio	Currently, our company has a 0% utilization rate of renewable energy.	Currently, our company has a 0% utilization rate of renewable energy.	Assessing the feasibility of utilizing renewable energy in the headquarters building: considerations and planning.	In 2034, the renewable energy usage rate reaches 30%.	The renewable energy usage rate is expected to reach 100% by the year 2050.

Note: The Company completed the greenhouse gas inventory of its consolidated subsidiaries in 2025. The relevant subsidiaries are expected to obtain third-party confirmation in 2026. Therefore, this year we will first disclose the reduction data and targets of the parent company as an individual, and the consolidated reduction targets and their achievement will be disclosed in subsequent years.

Note 1: The process should be carried out in accordance with the schedule specified in Article 4, Section 1, Item 4 of these operating procedures.

Note 2: The reference year should be the year in which the boundary of the consolidated financial report is completed. For example, according to Article 4, Section 1, Item 2 of these operating procedures, companies with a capital of over 10 billion NT dollars should complete the investigation of the consolidated financial report for the year 2024 in 2025. Therefore, the reference year is 2024. If the company has completed the investigation of the consolidated financial report in advance, the earlier year can be used as the reference year. In addition, the data for the reference year can be calculated as a single year or as an average of multiple years.

Note 3: For disclosure details, please refer to the Best Practice Reference Examples on the Taiwan Stock Exchange Corporate Governance Center website.

(7) Implementation of Ethical Corporate Management, Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and Reasons Thereof

Assessed Items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and Causes of the Said Gaps
	Yes	No	Summary	
<p>1. Stipulating policies and plans for ethical corporate management</p> <p>(1) Has the company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies, practices, as well as the commitment of the board of directors and the senior management to rigorous and thorough implementation of such policies?</p> <p>(2) Has the company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within its business scope which are at a higher risk of unethical conduct, and established prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(3) Has the company specified in its prevention programs the operating procedures, guidelines, disciplinary measures for violations, and a grievance system, and implemented them and reviewed the prevention programs on a regular basis?</p>	V		(1) The Ethical Corporate Management Best Practice Principles has been established and approved by the Board of Directors. Both the Board of Directors and the management of the Company have attached importance to ethical conduct and adhered to the business philosophy of integrity, transparency, and responsibility, to implement the integrity policy so as to create a business environment for sustainable development. The Company's contracts and regulations for internal employees and external business partners all require the implementation of the good faith principle.	None.
	V		(2) The Company has established the Ethical Corporate Management Best Practice Principles and promoted how to prevent unethical conduct at its meetings or education and training from time to time. The Company's internal control system, the Work Rules, and the Codes of Ethical Conduct also constantly reminds the good faith principle and the implementation.	None.
	V		(3) The company has established the Ethics Regulations for Procurement Personnel for employees to comply with. And there are also formulated 「 Regulations Governing of Whistleblowing system 」 for interested parties to report dishonest behavior. To fulfill internal requirements and laws stipulated by the competent authorities, audit plans with higher frequencies and stringency were conducted for high risk business activities by the personnel of the auditing department. Senior supervisors also initiate unannounced visits with the suppliers to prevent or uncover similar accidents.	None.
<p>2. Implementing ethical corporate management</p> <p>(1) Has the Company evaluated ethical records of its counterpart? Does the contract signed by the Company and its trading counterpart clearly provide terms on ethical conduct?</p> <p>(2) Has the company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once a year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?</p>	V		(1) The Company tends to blacklist any supplier without ethical conduct. All external contracts are reviewed by our legal department. All contractual terms are also stipulated according to ethical principles.	None.
		V	(2) The Company has not set up a dedicated corporate governance unit to implement ethical corporate management and report to the Board of Directors regularly. However, the head of each unit still abide by and implement ethical corporate management and prevent unethical conduct, and internal auditors also audit each business cycle regularly or from time	The Company will prudently conduct evaluation and plan to set up a dedicated unit to promote ethical corporate management.

Assessed Items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and Causes of the Said Gaps
	Yes	No	Summary	
(3) Has the Company established policies preventing conflicts of interests, provided proper channels of appeal, and enforced these policies and channels accordingly?	V		to time to understand the implementation of relevant systems. (3) The Company upholds the Ethical Corporate Management Best Practice Principles and the ICS to meet independence and mutual auditing requirements, plan the employees' duties and responsibilities, and properly prevent any conflict of interest.	None.
(4) Has the company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted CPAs to conduct the audit?	V		(4) The Company has established an effective accounting system and internal control system for business activities with a higher risk of unethical conduct, and strictly prohibits two sets of books or secret accounts, while conducting reviews regularly, to ensure that the design and implementation of the systems are continuously effective. Internal auditors perform regular or unannounced audits of every business cycle to assess the fulfillment of relevant systems.	None.
(5) Does the Company regularly organize internal and external training courses on ethical corporate management?	V		(5) To ensure the proper implementation of ethical corporate management and to ensure that such principles are ingrained within the corporate culture, the Company has uploaded relevant regulations to the intranet to be perused by employees, and constantly announces regulations pertaining to ethical corporate management in meetings.	None.
3. Status for enforcing whistle-blowing systems in the Company				
(1) Has the Company established concrete whistle-blowing and reward systems and accessible whistle-blowing channels? Does the Company assign a suitable and dedicated individual for the case reported by the whistle-blower?	V		(1) The company's Board of Directors has established specific procedures for implementing the reporting system on November 14, 2023. The unit responsible for receiving reports is the Legal Affairs Office of the company's General Administration Department. The investigating unit is also the Legal Affairs Office of the General Administration Department, the Audit Department, or other investigation departments or teams assigned based on the nature of the case. The company's Legal Affairs Director serves as the dedicated contact for receiving reports, and their contact information has been published on the company's website. Anyone can report on the company's directors, managers, or employees at any time.	None.
(2) Has the company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and relevant confidentiality mechanisms?	V		(2) The investigation standard operating procedure for handling reported matters is to handle the cases as confidential. Upon receiving a reported case, it should be registered and checked for acceptance based on the content of the report and relevant information. After verifying the accepted case, it is necessary to confirm the investigating unit and transfer the case to the appropriate investigating unit or form an investigation team for further investigation. The result of the	None.

Assessed Items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and Causes of the Said Gaps
	Yes	No	Summary	
(3) Has the Company adopted protection against inappropriate disciplinary actions against the whistle-blower?	V		<p>investigation of the reported case should be promptly communicated to the reporter. The entire process of receiving the report, conducting the investigation, and the investigation results should be documented in written form or electronic files, and kept for a minimum of five years. Upon investigation, it has been confirmed that the reported individual has indeed violated the relevant regulations. Therefore, they should be dealt with or disciplined according to the applicable rules. The relevant department should also submit a written review of improvement measures, which will be monitored by the investigating unit until completion. If any illegal or criminal activities are involved, they should be referred to the judicial authorities or relevant agencies for handling. If necessary, legal procedures should be initiated to seek compensation for damages and hold the responsible parties accountable. The identity information of the informant should be kept confidential and should not be disclosed in a way that allows for identification or inference of their identity. Those who verify the reported cases to be true may be rewarded according to the severity of the reported situation.</p> <p>(3) The identity of the whistleblower should be kept confidential. The whistleblower should not be terminated, dismissed, demoted, or have their salary reduced as a result of the whistleblower case. Their rights and benefits, as provided by laws and contracts, should not be compromised or subjected to any other adverse actions.</p>	None.
<p>4. Improvement of information disclosure</p> <p>(1) Has the Company disclosed the contents of its best practices for ethical corporate management and the effectiveness of relevant activities on its official website or the Market Observation Post System (MOPS)?</p>	V		<p>(1) The Board of Directors of the Company has stipulated the Ethical Corporate Management Best Practice Principles and disclosed these principles on its official website and the MOPS.</p>	None.
5. Where the Company has stipulated its own best practices on ethical corporate management according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any gaps between the prescribed best practices and actual activities taken by the Company: None.				
6. Any important information to better understand the Company's implementation of ethical corporate management (for example, any review or amendment to best practices for ethical corporate management of the Company): In addition to complying with statutory regulations, the Company also required suppliers to fulfill the principle of good faith during routine business activities and management practice.				

(8) Other important information on the state of corporate governance activities:

A. Risk management policy

The risk management policy of the Company is based on corporate operation guidelines. Under the pretext of achieving a balance between risk-taking and potential returns as well as the principle of optimizing resource allocation and benefits, the Company aims to prevent any losses and seek to maximize the shareholders' interests under acceptable risk levels.

B. Structure of the risk management organization:

Risk management within the Company was assigned to relevant management departments according to their respective duties and roles:

- a. Chairman's Office: Responsible for business decision-making and planning to achieve the desired business results and efficiency and reduce strategic risks; responsible for managing legal risks, ensuring compliance with supervisory policies, and handling relevant contractual disputes and litigation to reduce legal risks.
- b. General Administration Division: Responsible for managing corporate asset risks, evaluating mid-term and long-term investment benefits, financial operations, and allocations, and establishing hedging systems to ensure the reliability of financial statements; responsible for maintaining compliance with government regulations to ensure sustainable management and integrity of corporate assets.

C. Training of the Company's directors in 2025:

Title	Name	Date of Appointment	Date of First Appointment	Training Date		Organizer	Course Name	Number of Training Hours	Total Training Hours
				Start Date	End Date				
Director	Chen, Shiang-Li	2024/06/21	2000/5/26	2025/03/20	2025/03/20	Taiwan Corporate Governance Association	Artificial Intelligence Applications and Governance, Information Security and Zero Trust Architecture	3	9
				2025/03/25	2025/03/25	Taiwan Corporate Governance Association	How can directors and supervisors guide the company in effective corporate risk management and crisis handling	3	
				2025/04/24	2025/04/24	Taiwan Corporate Governance Association	Treat vulnerable customers kindly and fairly - from the board's perspective	3	
Corporate Director Representative	Chen, Shiang-Chung	2024/06/21	2014/1/15	2025/08/07	2025/08/07	Taiwan Corporate Governance Association	In the digital economy era, how can enterprises innovate and break through profitability barriers	3	6
				2025/09/25	2025/09/25	Taiwan Securities Association	Align with IFRS sustainable disclosure guidelines and sustainable information management internal control system	3	
Corporate Director Representative	Wong, Wei-Chyun	2024/06/21	2005/6/11	2025/03/25	2025/03/25	Taiwan Corporate Governance Association	How can directors and supervisors guide the company in effective corporate risk management and crisis handling	3	12
				2025/07/31	2025/07/31	Taiwan Stock Exchange Corporation	2025 Summit on Strengthening Taiwan's Capital Markets	3	
				2025/08/08	2025/08/08	Taiwan Corporate Governance Association	Comprehensive intelligent protection strategy - using AI to assist in the strategic deployment of innovative technology intellectual property	3	
				2025/08/08	2025/08/08	Taiwan Corporate Governance Association	Trends and Risk Management of Generative AI	3	
Corporate Director Representative	Chen, Shiang-Feng	2024/06/21	2007/12/26	2025/03/25	2025/03/25	Taiwan Corporate Governance Association	How can directors and supervisors guide the company in effective corporate risk management and crisis handling	3	6
				2025/08/05	2025/08/05	Taiwan Investor Relations Institute	Insider Trading/Equity Reporting Practices Analysis	3	
Corporate Director Representative	Cheng, I-teng	2024/06/21	2012/06/05	2025/05/16	2025/05/16	Securities & Futures Institute	2025 Anti-Insider Trading Promotion Meeting	3	12
				2025/06/26	2025/06/26	Taiwan Securities Association	Analysis of laws and cases related to anti-money laundering and combating terrorist financing	3	
				2025/07/09	2025/07/09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6	
Corporate Director Representative	Lee, Jiann-Hsiung	2024/06/21	2024/6/21	2025/06/26	2025/06/26	Taiwan Securities Association	Analysis of laws and cases related to anti-money laundering and combating terrorist financing	3	6
				2025/10/29	2025/10/29	Independent Director Association Taiwan	Corporate Governance x AI: A Seminar on Efficient and Compliant Board Operation Practices	3	

Title	Name	Date of Appointment	Date of First Appointment	Training Date		Organizer	Course Name	Number of Training Hours	Total Training Hours
				Start Date	End Date				
Independent Director	Lee, Mao	2024/06/21	2015/06/24	2025/06/26	2025/06/26	Taiwan Securities Association	Analysis of laws and cases related to anti-money laundering and combating terrorist financing	3	9
				2025/07/31	2025/07/31	Taiwan Stock Exchange Corporation	2025 Summit on Strengthening Taiwan's Capital Markets	3	
				2025/09/18	2025/09/18	Taiwan Corporate Governance Association	Sustainability, Risks, and Cybersecurity Issues in the AI Era	3	
Independent Director	Tzeng, Yu-Chiung	2024/06/21	2024/06/21	2025/05/16	2025/05/16	Securities & Futures Institute	2025 Anti-Insider Trading Promotion Meeting	3	6
				2025/06/26	2025/06/26	Taiwan Securities Association	Analysis of laws and cases related to anti-money laundering and combating terrorist financing	3	
Independent Director	Liu, Po-Liang	2024/06/21	2024/06/21	2025/03/25	2025/03/25	Taiwan Corporate Governance Association	Global Economic Outlook 2025	3	9
				2025/06/26	2025/06/26	Taiwan Securities Association	Analysis of laws and cases related to anti-money laundering and combating terrorist financing	3	
				2025/11/05	2025/11/05	Taiwan Corporate Governance Association	Current global economic situation and the effects of Trump's new policies	3	
Independent Director	Chao, Yuan-Chi	2024/06/21	2024/06/21	2025/03/03	2025/03/03	Taiwan Institute of Directors	Corporate Governance and Securities Regulations	3	6
				2025/08/20	2025/08/20	Taiwan Institute of Directors	Leading Strategies for AI in Digital Transformation	3	

D. Certificates obtained by persons concerning the transparency of financial information as required by the competent authorities:

Title	Name	Training Date		Organizer	Course Name	Training Hours	Total Training Hours in that year
		Start Date	End Date				
Principle accounting officer	Chen, Te-Kai	2025/03/27	2025/03/28	Accounting Research and Development Foundation	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12	12

(9) Implementation of the internal control system

A. Statement on internal controls

MERCURIES & ASSOCIATES HOLDING, LTD.
Statement of Internal Control System

Date: March 13, 2026

The Company makes the following statement according to the self-evaluation conducted of its internal control system of 2025:

1. The Company has achieved full understanding that the establishment, implementation, and maintenance of the internal control system (ICS) are the responsibilities of the Company's Board of Directors and managerial officers, and have established the said system accordingly. The objectives of ICS include achieving various objectives in business benefits and efficiency (including profitability, performance, and protection of assets and safety); ensuring the reliability, timeliness, transparency, and regulatory compliance of reporting; and providing reasonable assurance.
2. All ICS are bound by natural limitations and regardless of the robustness of designs, effective ICS can only provide reasonable assurance for the 3 objectives listed above. Changes to the environment and status will also affect the effectiveness of internal control systems. However, The Company's internal control system has been furnished with self-monitoring systems. The Company shall also initiate corrective actions for any verified defects.
3. The Company shall refer to the *Regulations Governing Establishment of Internal Control Systems by Public Companies* (hereinafter referred to as "ICS Regulations") to stipulate assessment items for determining the effectiveness of the ICS as well as the performance of the designs and implementation of the system. The ICS is divided into 5 key components according to the process of management control to generate ICS assessment items used by ICS Regulations, namely: (1) Control environment; (2) risk assessment; (3) control activities; (4) information and communications and; (5) monitoring activities. Each key component also includes a number of sub-items. For the aforementioned items, please refer to the provisions provided in the ICS Regulations.
4. The Company has already adopted the aforementioned ICS assessment items to *evaluate* the effectiveness of ICS design and implementation.
5. The Company has referred to the results of the aforementioned assessments and *determined* that the Company's ICS of December 31, 2025 (including monitoring and management of its subsidiaries), including the Company's understanding of the level of effectiveness and efficiency of business operations achieved, the reliability, timeliness, transparency, and regulatory compliance of reporting, the compliance with applicable laws, regulations, and by laws, are effectively designed and implemented and capable of reasonably ensuring the attainment of the aforementioned objectives.
6. This Statement shall be a major content of the Company's annual report and prospectus, and shall be publicly disclosed. Where any of the disclosed content contain misrepresentations, nondisclosures, or other illegal acts, the Company shall be subject to legal responsibilities provided in Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. We hereby declare that this Statement has been approved by the Board of Directors on March 14, 2026. Amongst the 9 Directors present in the meeting, none (0) held dissenting opinions, and the remaining have all agreed with the contents of this Statement.

Mercuries & Associates Holding, Ltd.
Chairman and General Manager: Chen, Shiang-Li

B. Any CPAs commissioned according to the requirements of the Securities and Futures Bureau to conduct a project review of the ICS shall disclose the CPA audit report:
None.

(10) In the most recent year and as of the printing date of this annual report, where the Company and its internal personnel were imposed with penalties according to laws, or the Company imposed penalties on its internal personnel for violating the internal control system, or the results of the penalties may have a significant impact on shareholders' equity or securities prices, the content of the penalties, major deficiencies, and improvement shall be specified:
None.

(11) Major resolutions and state of implementation of the shareholders' meeting and the Board of Directors in the most recent year up to the printing date of this Annual Report:

A. Major resolutions of the shareholders' meeting and state of implementation in 2025:

The 2025 annual general meeting of the Company was held on June 13, 2025 on 20F., No.145, Section 2, Jianguo North Road, Taipei City. The following lists the resolutions by the shareholders present in the meeting and corresponding state of implementation:

I. Ratification Items

Propose 1

Proposal: Please ratify the 2024 business report and financial statements.

Resolution: This proposal has been voted and ratified by the shareholders present in the meeting.

Propose 2

Proposal: Please ratify the Company's 2024 earnings distribution.

Resolution: This proposal has been voted and ratified by the shareholders present in the meeting.

II. Discussion Items:

Propose 1

Proposal: The Company distribute cash dividend by capital surplus.

Resolution: This case has been voted and ratified by the shareholders present in the meeting.

Propose 2

Proposal: Amendments of 「The Articles of Incorporation」.

Resolution: This case has been voted and ratified by the shareholders present in the meeting.

Note: For the complete minutes, meeting manual and meeting supplementary materials of the Company, please visit the Public Information Observatory.

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

B. Review of the state of implementation of resolutions from the previous annual shareholders' meeting:

All resolutions from the 2025 annual shareholders' meeting have been implemented accordingly.

C. List of key resolutions of the Board meeting

Date of Key Resolution	Content of Key Resolution	Result of Resolution
5th Meeting of the 21st Board of Directors January 17, 2025	Report Items (1)Internal audit report. (2)Mercuries Data Systems Ltd. Stock Disposal Report. . Discussion Items (1)The Company's Manager Remuneration Case. (2)Application for line of credit with the bank.	Unanimously approved by all directors present in the meeting. (Proposal 1 : Directors Chen, Shiang-Li, and Chen, Shiang-Feng did not participate in the discussion and voting due to conflicts of interest.) Opinions of independent directors: None. Disposal of opinions of independent directors: None.

Date of Key Resolution	Content of Key Resolution	Result of Resolution
<p>6th Meeting of the 21st Board of Directors March 14, 2025</p>	<p>Report Item</p> <ol style="list-style-type: none"> (1)Internal audit report. (2)Implementation report of the company's sustainable development committee. (3)Progress report on the implementation of the greenhouse gas inventory and verification schedule of the Company and its subsidiaries. (4)The company's "International Financial Reporting Standards" sustainable disclosure implementation progress report. (5)Board of Directors evaluation report. (6)Report on the company's specific measures to enhance corporate value. (7)Mercuries Data Systems Ltd. Stock Disposal Report. <p>Discussion Items</p> <ol style="list-style-type: none"> (1)Remuneration distribution case for employees and directors of the Company. (2)The Company's Manager Remuneration Case. (3)The Company's 2024 business report and financial statements. (4)The Company's 2024 earnings distribution plan. (5)The Company distribute cash dividend by capital surplus. (6)The Company's statement of internal control for 2024. (7)The Company's budget for 2025. (8)Application for line of credit with the bank. (9)Amendments to internal control systems in accordance with related laws and regulations and practical needs. (10)The scope of the company's grassroots employees. (11)Convention of the 2025 annual shareholders' meeting. 	<p>Unanimously approved by all directors present in the meeting.</p> <p>(Proposal 2 : Directors Chen, Shiang-Li, and Chen, Shiang-Feng did not participate in the discussion and voting due to conflicts of interest.)</p> <p>Opinions of independent directors: None.</p> <p>Disposal of opinions of independent directors: None.</p>
<p>7th Meeting of the 21st Board of Directors April 9, 2025</p>	<p>Discussion Items</p> <ol style="list-style-type: none"> (1)The company has repurchased its treasury stock for the eighth time. 	<p>Unanimously approved by all directors present in the meeting.</p> <p>Opinions of independent directors: None.</p> <p>Disposal of opinions of independent directors: None.</p>
<p>8th Meeting of the 21st Board of Directors May 15, 2025</p>	<p>Report Item</p> <ol style="list-style-type: none"> (1)Internal audit report. (2)Implementation report of the company's sustainable development committee. (3)Progress report on the implementation of the greenhouse gas inventory and verification schedule of the Company and its subsidiaries. (4)The company's "International Financial Reporting Standards" sustainable disclosure implementation progress report. (5)The report of "Director Supervisors and Important Staff Liability Insurance". (6)Mercuries Data Systems Ltd. Stock Disposal Report. (7)The report for proposals raised of the shareholders' meeting. <p>Discussion Items</p> <ol style="list-style-type: none"> (1)The company's certified public accountant independence and competency assessment and appointment case. (2)To approve the Q1 2025 financial statements. 	<p>Unanimously approved by all directors present in the meeting.</p> <p>Opinions of independent directors: None.</p> <p>Disposal of opinions of independent directors: None.</p>

Date of Key Resolution	Content of Key Resolution	Result of Resolution
9th Meeting of the 21st Board of Directors August 14, 2025	<p>Report Item</p> <ol style="list-style-type: none"> (1)Internal audit report. (2)Implementation report of the company's sustainable development committee. (3)Progress report on the implementation of the greenhouse gas inventory and verification schedule of the Company and its subsidiaries. (4)The company's "International Financial Reporting Standards" sustainable disclosure implementation progress report. (5)Report on the implementation status of our company's information and communication security. (6)Mercuries Data Systems Ltd. Stock Disposal Report. <p>Discussion Items</p> <ol style="list-style-type: none"> (1)To approve the Q2 2025 financial statements.. (2)To approve the subscription of Mercuries Life Insurance Co., Ltd.'s capital increase. (3)Set the ex-dividend base date for the distribution of cash from the company's capital surplus. (4)The cancellation of treasury shares to reduce capital. (5)To approve the company's 2025 sustainability report. (6)The Company release the non-compete clause for managers. (7)Application for line of credit with the bank. 	<p>Unanimously approved by all directors present in the meeting.</p> <p>Opinions of independent directors: None.</p> <p>Disposal of opinions of independent directors: None.</p>
10th Meeting of the 21st Board of Directors November 5, 2025	<p>Discussion Items</p> <ol style="list-style-type: none"> (1)To approve the Company disposed of all of its shareholdings in Mercuries Life Insurance Co., Ltd. through a share swap and acquired newly issued common shares of E. Sun Financial Holding Company, Ltd.. 	<p>Unanimously approved by all directors present in the meeting.</p> <p>Opinions of independent directors: None.</p> <p>Disposal of opinions of independent directors: None.</p>
11th Meeting of the 21th Board of Directors November 14, 2025	<p>Report Item</p> <ol style="list-style-type: none"> (1)Internal audit report. (2)Implementation report of the company's sustainable development committee. (3)Progress report on the implementation of the greenhouse gas inventory and verification schedule of the Company and its subsidiaries. (4)The company's "International Financial Reporting Standards" sustainable disclosure implementation progress report. (5)Report on the company's specific measures to enhance corporate value. (6)Mercuries Data Systems Ltd. Stock Disposal Report. (7)Advance Materials Corporation Stock Disposal Report. <p>Discussion Items</p> <ol style="list-style-type: none"> (1)To approve the Q3 2025 financial statements. (2)To approve the audit fees of the company's certified public accountant. (3)To approve endorsement and guarantee of the Company. (4)To approve Joint loan case hosted by O-Bank. (5)Application for line of credit with the bank. (6)To amend of the company's 「 Work Rules 」 . (7)To approve 2026 audit plan. (8)The Company's 2026 Board meeting schedule. 	<p>Unanimously approved by all directors present in the meeting.</p> <p>Opinions of independent directors: None.</p> <p>Disposal of opinions of independent directors: None.</p>

Date of Key Resolution	Content of Key Resolution	Result of Resolution
12th Meeting of the 21th Board of Directors January 30, 2026	<p>Report Item</p> <p>(1)Internal audit report. (2)Mercuries Data Systems Ltd. Stock Disposal Report.</p> <p>Discussion Items</p> <p>(1)The Company's Manager Remuneration Case. (2)To amend 「 Rules for Performance Evaluation of Board of Directors 」 of the company. (3)Application for line of credit with the bank.</p>	<p>Unanimously approved by all directors present in the meeting.</p> <p>(Proposal 1 : Directors Chen, Shiang-Li, and Chen, Shiang-Feng did not participate in the discussion and voting due to conflicts of interest.)</p> <p>Opinions of independent directors: None. Disposal of opinions of independent directors: None.</p>
13th Meeting of the 21th Board of Directors March 13, 2026	<p>Report Item</p> <p>(1)Internal audit report. (2)Implementation report of the company's sustainable development committee. (3)Progress report on the implementation of the greenhouse gas inventory and verification schedule of the Company and its subsidiaries. (4)The company's "International Financial Reporting Standards" sustainable disclosure implementation progress report. (5)Board of Directors evaluation report. (6)Mercuries Data Systems Ltd. Stock Disposal Report. (7)Advance Materials Corporation Stock Disposal Report.</p> <p>Discussion Items</p> <p>(1)Remuneration distribution case for employees and directors of the Company. (2)The Company's Manager Remuneration Case. (3)The Company's 2025 business report and financial statements. (4)The company's 2025 earnings distribution plan. (5)The Company distribute cash dividend by capital surplus. (6)The Company's statement of internal control for 2025. (7)The Company's budget for 2026. (8)To approve the subscription of Framosa Co., Ltd.'s capital increase. (9)Application for line of credit with the bank. (10)Formulate and amend to internal control systems in accordance with related laws and regulations and practical needs. (11)The Company release the non-compete clause for director. (12)Convention of the 2026 annual shareholders' meeting.</p>	<p>Unanimously approved by all directors present in the meeting.</p> <p>(Proposal 2 : Directors Chen, Shiang-Li, and Chen, Shiang-Feng did not participate in the discussion and voting due to conflicts of interest.)</p> <p>(Proposal 11 : Directors Wong, Wei-Chyun and Wong, Tsui-Chun did not participate in the discussion and voting due to conflicts of interest.)</p> <p>Opinions of independent directors: None. Disposal of opinions of independent directors: None.</p>

(12) Any dissenting opinions on record or stated in a written statement made by Directors regarding key resolutions of the Directors' Meeting in the most recent year up to the publication date of this report: None.

4. Information on the CPA's fees:

(1) The amount of audit fees and non-audit fees and the content of non-audit services for the accountant and his affiliates:

Unit: Thousand NT\$

Accounting Firm	Accountants	Audit period	Audit Fees	Non-audit Fees	Total	Remark
BDO Taiwan	Hsu, Kun-Hsi Chang, Shu-cheng	2025	3,790	(1) Tax Audit 550. (2) Financial reports in English 400. (3) Other 220.	4,960	

(2) Where accounting firm was replaced and the accounting fee paid for the year was less than that of the previous year: None.

(3) The audit fee decreased by more than 10% compared with the previous year: None.

(4)The Company assesses the independence of its certified public accountants annually. The accountants report their independence to the Audit Committee on May 15, 2025. The Audit Committee assesses that the independence meets the " Audit Quality Index (AQI)" and the report was approved by the Board of Directors on May 15, 2025.

The assessment items are as follows:

Item	Assessment Item	Assessment results	Is it consistent with independence
1	Whether the accountant and his or her second degree of kinship have direct or indirect significant financial interests in the company.	No	Yes
2	Whether the accountant and his or her second degree of kinship have any business relationship with the company or the company's directors and managers that affect their independence.	No	Yes
3	Whether the accountant currently serves or has served as a director, manager, or a position that has significant influence on the company in the past two years; whether the accountant is committed to holding the above-mentioned relevant positions.	No	Yes
4	Whether the accountant has performed management consulting or other non-auditing work for the company may affect independence.	No	Yes
5	Whether the accountant has get involved in brokered stocks or other securities issued by the company.	No	Yes
6	Whether the accounting firm has complies with the regulations of the authority responsible for business events regarding rotation of accountants, handling accounting affairs on behalf of others, or other regulations that may affect independence.	Yes	Yes
7	Whether the accountant audit team has implemented necessary independence and conflict of interest procedures, and there are no violations of independence or unresolved conflicts of interest.	Yes	Yes
8	Whether to obtain a declaration of independence from an accountant.	Yes	Yes

5. Replacement of accountants: There was no change of accountant during the year.

6. Company's chairman, general manager, or any managerial officer in charge of finance or accounting matters who has, in the most recent year, held a position at the accounting firm of its CPA or at an affiliated enterprise: None.

7. Equity transfer or changes to equity pledge of directors, managerial officers, or shareholders holding more than 10% of company shares in the most recent year to the publication date of this report:

(1) List of changes to the equity of directors, managerial officers, and major shareholders

Title	Name	2025		As of March 31,2026	
		Additional (reduction) of shares held	Additional (reduction) of shares pledged	Additional (reduction) of shares held	Additional (reduction) of shares pledged
Chairman / Major shareholders	Shanglin Investment	-	54,824,000	-	18,700,000
Corporate representative of the chairman / Managerial officer	Chen, Shiang-Li	-	-	-	-
Corporate representative of the director	Chen, Shiang-Chung	-	-	-	-
Corporate representative of the director	Chen, Shiang-Feng	-	16,540,000	-	-
Director / Major shareholders	Shuren Investment	-	7,200,000	-	-
Corporate representative of the director	Wong, Wei-Chyun	-	-	-	-
Corporate representative of the director	Cheng, I-teng (Note1)	-	-	-	-
Corporate representative of the director	Wong, Tsui-Chun (Note1)	-	-	-	-

Title	Name	2025		As of March 31,2026	
		Additional (reduction) of shares held	Additional (reduction) of shares pledged	Additional (reduction) of shares held	Additional (reduction) of shares pledged
Director / Major shareholders	Mega Prosper Investment Limited	-	-	-	-
Corporate representative of the director	Lee, Jiann-Hsiung	-	-	-	-
Independent director	Lee, Mao	-	-	-	-
Independent director	Tzeng, Yu-Chiung	-	-	-	-
Independent director	Liu, Po-Liang	-	-	-	-
Independent director	Chao, Yuan-Chi	-	-	-	-
Managerial officer	Wang, Chih-Hua	-	-	-	-
Managerial officer	Chen, Te-Kai	-	-	-	-
Managerial officer	Hsu, Chin-Hsin	-	-	-	-

Note1: On March 4, 2026, Shuren Investment Co., Ltd. appointed Wong, Tsui-Chun as its legal representative, replacing the original legal representative Cheng, I-Teng.

(2) Information of the counterparty of equity transfers in the event that the said counterparty is a related party: None

(3) Information of the counterparty of equity pledge in the event that the said counterparty is a related party: None.

8. Relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree:

Relationship information between the 10 largest shareholders

April 19, 2026

Name (Note 1)	Shares held by the person (Note 2)		Shares held by spouse or minor children (Note 2)		Shares held in the name of other persons (Note 2)		Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship. (Note 3)		Notes
	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Name	Relationship	
Shanglin Investment Representative: Hsu, Chang-Hui	202,867,944	18.27%	-	-	-	-	(1)Shanghong Investment Representative: Chen, Shiang-Li (2)Pension fund management committee of Mercuries & Associates, Ltd. Representative: Chen, Shiang-Li (3)Mercuries Liquor & Food Co., Ltd. Representative: Chen, Shiang-Feng (4)Chen, Shiang-Li, Chen, Shiang-Chung Chen, Shiang-Feng,	(1)(2)(3)The representative is within the first degree of kinship. (4)Within the first degree of kinship with the representative of the company.	-

Name (Note 1)	Shares held by the person (Note 2)		Shares held by spouse or minor children (Note 2)		Shares held in the name of other persons (Note 2)		Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship. (Note 3)		Notes
	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Name	Relationship	
Shuren Investment Representative: Wong, Wei-Chyun	145,095,087	13.07%	-	-	-	-	(1)Shufeng Investment Representative: Wong, Wei-Chyun (2)Wong, Chau-Shi	(1)Same person as the chairman (2)Within the first degree of kinship with the representative of the company.	-
Mega Prosper Investment Ltd. Representative: Lee, Jiann-Haiung	112,000,000	10.09%	-	-	-	-	-	-	-
Shufeng Investment Representative: Wong, Wei-Chyun	56,114,477	5.05%	-	-	-	-	(1)Shuren Investment Representative: Wong, Wei-Chyun (2)Wong, Chau-Shi	(1)Same person as the chairman. (2)Within the first degree of kinship with the representative of the company.	-
Shanghong Investment Representative: Chen, Shiang-Li	54,292,706	4.89%	-	-	-	-	(1)Shanglin Investment Representative: Hsu, Chang-Hui (2)Pension fund management committee of Mercuries & Associates, Ltd. Representative: Chen,Shiang-Li (3)Mercuries Liquor & Food Co., Ltd. Representative: Chen, Shiang-Feng (4)Chen, Shiang-Chung Chen, Shiang-Feng	(1)Within the first degree of kinship with the representative of the company. (2)Same person as the chairman. (3)Within the second degree of kinship with the representative of the company. (4)The representative is within the second degree of kinship.	-
Mercuries Liquor & Food Co., Ltd.(Note 4) Representative: Chen, Shiang-Feng	46,968,515	4.23%	-	-	-	-	(1)Shanghong Investment Representative: Chen, Shiang-Li (2)Shanglin Investment Representative: Hsu, Chang-Hui (3)Pension fund management committee of Mercuries & Associates, Ltd. Representative: Chen,Shiang-Li (4)Chen, Shiang-Li Chen, Shiang-Chung	(1)(3)Within the second degree of kinship with the representative of the company. (2)Within the first degree of kinship with the representative of the company. (4)The representative is within the second degree of kinship.	-

Name (Note 1)	Shares held by the person (Note 2)		Shares held by spouse or minor children (Note 2)		Shares held in the name of other persons (Note 2)		Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship. (Note 3)		Notes
	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Number of shares	Percentage of shares	Name	Relationship	
Chen, Shiang-Li	25,337,407	2.28%	-	-	-	-	(1)Shanghong Investment Representative: Chen, Shiang-Li (2)Shanglin Investment Representative: Hsu, Chang-Hui (3)Pension fund management committee of the Mercuries & Associates, Ltd. Representative: Chen, Shiang-Li (4)Chen, Shiang-Chung Chen, Shiang-Feng	(1)Chairman of this company. (2)The representative is within the first degree of kinship of this company (3)Representative of the committee. (4)Second degree of kinship.	-
Pension fund management committee of Mercuries & Associates, Ltd. Representative: Chen, Shiang-Li	20,869,315	1.88%	-	-	-	-	(1)Shanglin Investment Representative: Hsu, Chang-Hui (2)Shanghong Investment Representative: Chen, Shiang-Li (3)Chen, Shiang-Chung Chen, Shiang-Feng	(1)The representative is within the first degree of kinship of this company. (2)Same person as the chairman. (3)The representative is within the second degree of kinship.	-
Wong, Chau-Shi	19,885,349	1.79%	7,766,818	0.70%	-	-	(1)Shuren Investment and Shufeng Investment Representative: Wong, Wei-Chyun	(1)The representative is within the first degree of kinship of this company.	-
Chen, Shiang-Chung	18,014,257	1.62%	1,012,805	0.09%	-	-	(1)Shanghong Investment Representative: Chen, Shiang-Li (2)Shanglin Investment Representative: Hsu, Chang-Hui (3)Pension fund management committee of the Mercuries & Associates, Ltd. Representative: Chen, Shiang-Li (4)Chen, Shiang-Li, Chen, Shiang-Feng	(1)Within the second degree of kinship with the representative of the company. (2)Within the first degree of kinship with the representative of the company. (3)Within the second degree of kinship with the representative of the committee. (4)Second degree of kinship.	-

Note 1: The 10 largest shareholders shall be listed. For corporate shareholders, the title of the corporate shareholder as well as the name of the representative shall be indicated.

Note 2: Shareholding percentage is calculated using the proportion of shares held in the person's own name, the name of his or her spouse, minor children, or in the name(s) of other persons.

Note 3: Shareholders to be disclosed in the preceding item shall include institutional shareholders and natural persons. Relationships between shareholders shall be disclosed according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 4: Mercuries Liquor & Food Co., Ltd. and Mercury Fu Bao Co., Ltd. merged on January 1, 2025. Mercuries Liquor & Food Co., Ltd. is the surviving company and Mercury Fu Bao Co., Ltd. is the eliminated company. The change registration was completed on February 17, 2025.

9. Number of shares held and percentage of stake of investment in other companies by the company, the company's director, managerial officer, or an entity directly or indirectly controlled by the company, and calculations for the consolidated shareholding percentage of the above categories.

Consolidated shareholding percentage

Unit: 1,000 shares; %

March 31, 2026 Other companies invested by the Company (Note1)	Investments by the Company		Investments by the Directors, managerial officers, and companies directly or indirectly controlled by the Company		Total investments	
	Shares	Percentage of shares	Shares	Percentage of shares	Shares	Percentage of shares
Mercuries & Associates, Ltd.	40,000	100%	0	—	40,000	100%
Mercuries Data Systems Ltd.(Note2)	93,349	47.15%	620	0.31%	93,969	47.46%
Mercuries General Media, Inc.	4,200	86.96%	0	—	4,200	86.96%
Mercuries Life Insurance Co., Ltd.(Note3)	1,836,520	31.13%	744,487	12.62%	2,581,007	43.75%
Mercuries Harvest Co., Ltd.	9,000	100%	0	—	9,000	100%
Mercuries F&B Co., Ltd.(Note4)	38,236	57.87%	1,687	2.55%	39,923	60.42%
Mercuries Leisure Co., Ltd.	45,608	60.59%	24,086	32.00%	69,694	92.59%
SCI Pharmtech Inc.(Note5)	35,591	29.78%	6,996	5.85%	42,587	35.63%
Mercuries Furniture Co., Ltd.	13,000	100%	0	—	13,000	100%
Mercuries Liquor & Food Co., Ltd.	246,760	100%	0	—	246,760	100%
Mercuries Insurance Agency Co. Ltd.	500	100%	0	—	500	100%
Sanyou Drugstores, Ltd.	4,900	19.60%	20,100	80.40%	25,000	100%
Simple Mart Retail Co., Ltd. (Note6)	41,019	60.77%	63	0.09%	41,082	60.86%
Framosa Co., Ltd.	8,625	15.00%	14,375	25.00%	23,000	40.00%

Note1: The equity method was used to evaluate the Company's long-term investments.

Note2: The number of shares held is as of April 10, 2026.

Note3: The number of shares held is as of April 27, 2026.

Note4: The number of shares held is as of April 18, 2026.

Note5: The number of shares held is as of March 23, 2026.

Note6: The number of shares held is as of March 30, 2026.

III. Capital Overview

1. Capital and shares

(1) Source of shares

Units: Shares / NTD thousands

Year and month	Price at issuance	Authorized stock		Paid-in capital		Notes		
		Number of shares (shares)	Sum (thousand dollars)	Number of shares (shares)	Sum (thousand dollars)	Source of shares	Equity contributions made in the form of assets other than cash	Other
May 2015	-	900,000,000	9,000,000	681,358,902	6,813,589	Cancellation of restricted employee stocks for a capital reduction of 100	None	Note 1
July 2015	-	900,000,000	9,000,000	681,348,902	6,813,489	Cancellation of restricted employee stocks for a capital reduction of 100	None	Note 2
December 2015	-	900,000,000	9,000,000	681,340,902	6,813,409	Cancellation of restricted employee stocks for a capital reduction of 80	None	Note 3
March 2016	-	900,000,000	9,000,000	681,339,902	6,813,399	Cancellation of restricted employee stocks for a capital reduction of 10	None	Note 4
June 2016	-	900,000,000	9,000,000	681,338,902	6,813,389	Cancellation of restricted employee stocks for a capital reduction of 10	None	Note 5
August 2016	-	900,000,000	9,000,000	681,333,902	6,813,339	Cancellation of restricted employee stocks for a capital reduction of 50	None	Note 6
August 2016	NT\$ 10	900,000,000	9,000,000	715,400,897	7,154,009	Recapitalization of retained earnings 340,670	None	Note 7
December 2016	-	900,000,000	9,000,000	715,398,897	7,153,989	Cancellation of restricted employee stocks for a capital reduction of 20	None	Note 8
January 2017	-	900,000,000	9,000,000	715,397,897	7,153,979	Cancellation of restricted employee stocks for a capital reduction of 10	None	Note 9
May 2017	-	900,000,000	9,000,000	715,394,897	7,153,949	Cancellation of restricted employee stocks for a capital reduction of 30	None	Note 10
June 2017	-	900,000,000	9,000,000	715,392,897	7,153,929	Cancellation of restricted employee stocks for a capital reduction of 20	None	Note 11
August 2017	-	900,000,000	9,000,000	715,389,897	7,153,899	Cancellation of restricted employee stocks for a capital reduction of 30	None	Note 12
August 2017	NT\$ 10	900,000,000	9,000,000	765,467,749	7,654,677	Recapitalization of retained earnings 500,778	None	Note 13
December 2017	-	900,000,000	9,000,000	765,461,749	7,654,617	Cancellation of restricted employee stocks for a capital reduction of NT\$ 60	None	Note 14
April 2018	-	900,000,000	9,000,000	765,458,749	7,654,587	Cancellation of restricted employee stocks for a capital reduction of 30	None	Note 15
May 2018	-	900,000,000	9,000,000	765,454,749	7,654,547	Cancellation of restricted employee stocks for a capital reduction of 40	None	Note 16
July 2018	-	900,000,000	9,000,000	765,450,749	7,654,507	Cancellation of restricted employee stocks for a capital reduction of 40,000	None	Note 17
August 2018	NT\$ 10	900,000,000	9,000,000	826,687,688	8,266,877	Recapitalization of retained earnings 612,370	None	Note 18
September 2018	-	900,000,000	9,000,000	826,684,688	8,266,847	Cancellation of restricted employee stocks for a capital reduction of 30	None	Note 19
December 2018	-	900,000,000	9,000,000	826,682,688	8,266,827	Cancellation of restricted employee stocks for a capital reduction of 20	None	Note 20
September 2020	NT\$ 10	1,200,000,000	12,000,000	909,350,956	9,093,510	Recapitalization of retained earnings 826,683	None	Note 21
November 2021	-	1,200,000,000	12,000,000	913,106,748	9,131,667	Convertible corporate bonds conversion	None	Note 22
January 2022	-	1,200,000,000	12,000,000	913,362,083	9,133,621	Convertible corporate bonds conversion	None	Note 23
September 2022	NT\$ 10	1,400,000,000	14,000,000	922,495,703	9,224,957	Recapitalization of retained earnings 91,336	None	Note 24
October 2023	NT\$ 10	1,400,000,000	14,000,000	1,122,495,703	11,224,957	Cash capital increase 2,000,000	None	Note 25
September 2025	-	1,400,000,000	14,000,000	1,110,371,703	11,103,717	Cancellation of treasury stocks for a capital reduction of 121,240	None	Note 26

Note 1: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10401076760 of May 7, 2015; approved by Tai-Cheng-Shang-Yi-Tzu Document No. 10400091241 of May 15, 2015.

Note 2: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10401148210 of July 23, 2015; approved by Tai-Cheng-Shang-Yi-Tzu Document No. 1040015590 of July 31, 2015.

Note 3: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10401258180 of December 14, 2015; approved by Statement No. 104122101 of December 21, 2015.

Note 4: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10501040650 of March 3, 2016; approved by Statement No. 105031001 of March 10, 2016.

Note 5: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10501118170 of June 13, 2016; approved by Statement No. 105062101 of June 21, 2016.

Note 6: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10501209420 of August 25, 2016; approved by Statement No. 105083101 of August 31, 2016.
Note 7: Statement entered into force by the Financial Supervisory Commission (FSC) on July 15, 2016; approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10501230250 of September 20, 2016.
Note 8: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10501278260 of December 5, 2016; approved by Statement No. 105121301 of December 13, 2016.
Note 9: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10601006150 of January 17, 2017; approved by Statement No. 106012401 of January 24, 2017.
Note 10: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10601056540 of May 1, 2017; approved by Statement No. 106050801 of May 8, 2017.
Note 11: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10601072230 of June 8, 2017; approved by Statement No. 106061901 of June 19, 2017.
Note 12: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10601117060 of August 18, 2017; approved by Statement No. 106082401 of August 24, 2017.
Note 13: Statement entered into force by the Financial Supervisory Commission (FSC) on July 11, 2017; approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10601127890 of September 5, 2017.
Note 14: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10601163570 of November 30, 2017; approved by Statement No. 106120601 of December 6, 2017.
Note 15: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10601040020 of April 18, 2018; approved by Statement No. 107042601 of April 26, 2018.
Note 16: New restricted employee stocks amounting to NTS 40,000 was extinguished on May 11, 2018 following a Board Meeting resolution. This change has yet to be registered before the publication date of this report..
Note 17: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10701095780 of August 8, 2018; approved by Statement No. 107081601 of August 16, 2018.
Note 18: Statement entered into force by the Financial Supervisory Commission (FSC) on July 3, 2018; approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10701104380 of August 17, 2018.
Note 19: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10701095780 of September 6, 2018; approved by Statement No. 107091401 of September 14, 2018.
Note 20: Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10701149540 of December 3, 2018; approved by Statement No. 107120701 of December 7, 2018.
Note 21: Statement entered into force by the Financial Supervisory Commission (FSC) on July 8, 2020; approved by the MOEA Ching-Shou-Shang-Tzu Document No. 10901158640 of September 1, 2020.
Note22 : Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 11001222780 of December 2, 2021
Note23 : Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 11101017770 of February 10, 2022.
Note24 : Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 11101184600 of September 28, 2022.
Note25 : Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 112301885300 of October 20, 2023.
Note26 : Approved by the MOEA Ching-Shou-Shang-Tzu Document No. 11430148230 of September 11, 2025.

(2) Category of shares

April 19, 2026 Unit: Shares

Category of shares	Authorized stock			Note
	Outstanding shares	Unissued shares	Total	
Registered common shares	1,110,371,703	289,628,297	1,400,000,000	

(3) List of major shareholders

April 19, 2026 Unit: Shares

Shares	Shares held	Shareholding percentage (%)
Name of major shareholder		
Shanglin Investment Co., Ltd.	202,867,944	18.27%
Shuren Investment Co., Ltd.	145,095,087	13.07%
Mega Prosper Investment Ltd.	112,000,000	10.09%
Shufeng Investment Co., Ltd.	56,114,477	5.05%
Shanghong Investment Co., Ltd.	54,292,706	4.89%
Mercuries Liquor & Food Co., Ltd.	46,968,515	4.23%
Chen, Shiang-Li	25,337,407	2.28%
Pension fund management committee of Mercuries & Associates, Ltd.	20,869,315	1.88%
Wong, Chau-Shi	19,885,349	1.79%
Chen, Shiang-Chung	18,014,257	1.62%

(4) Dividend policy of the company and its implementation

A. Dividend policy:

According to Article 25 of the Company's Articles of Incorporation:

In case profit is made by the Company for the period, no less than 1% of the said profit shall be set aside for employees' compensation. The Board of Directors shall determine whether to issue the compensation in shares or cash. Recipients of the said compensation

shall include Company employees that satisfy specific criteria. The Company permits the Board of Directors to set aside no more than 1% of the sum of the aforementioned profit as compensations for the Directors. Proposals for the distribution of employees' compensation as well as Directors' compensation shall be submitted to the shareholders' meeting and presented accordingly.

According to Article 25-1 of the Company's Articles of Incorporation:

If earnings are found after closing the fiscal year, the Company shall first pay income taxes and make up for any accumulated losses and then report 10% as statutory surplus reserve. However, when the statutory surplus reserve has reached the paid-in capital of the Company, the Company no longer has to report, and the rest could be reported or reversed into special surplus reserve. If undistributed earnings are still present, these will be combined with accumulated undistributed earnings and the Board of Directors will propose the distribution of earnings and ask the shareholders' meeting to resolve on the proposal for shareholders' dividends.

The Company's dividend policy is in line with current and future development plans, in consideration of the investment environment, capital needs, and domestic and overseas competition, on top of shareholders' interests. The amount of cash dividends distributed shall be no less than 10% of all dividends distributed for the year.

As for the distribution of dividends to shareholders based on the current development of the Company, under the normal circumstances, the net profit after tax for the current year will make up for the accumulated loss first, and after the legal surplus and special capital reserve are deducted, not less than 40% of the remaining balance is allocated as dividends; the cash dividends to be distributed shall not be less than 10% of the total amount of dividends paid.

B. Dividend payout plans proposed during the most recent shareholder's meeting:

The Company's 2025 profit distribution plan was approved by the Board of Directors on March 13, 2026, as follows:

2025 Earnings Distribution Table

Unit: NTD

Item	Amount	
Undistributed earnings at the beginning of the period	0	
Minus: Cancellation of treasury stocks	(34,902,424)	
Add: Disposal of investments in equity instruments at fair value through other comprehensive income	166,594	
Minus: Changes in undistributed earnings of invested companies (Note 1)	(18,608,311)	
Add: Net profit after tax for the year (Note 2)	755,071,305	
Minus: Legal reserve appropriated	(70,172,716)	
Minus: Special surplus reserve appropriated	(631,554,448)	
Undistributed earnings at the end of the period	0	

Note1: The change in undistributed earnings of the investee company includes (1) changes in undistributed earnings, (2) changes in ownership percentage, and (3) actuarial gains and losses from defined benefit plans.

Note2: Employees' compensation of NT\$ 8 million and directors' remuneration of NT\$ 7.5 million have been deducted.

- C. Explanation of expected major changes in dividend policy: The company does not expect major changes in dividend policy.
- (5) The effect of the proposed stock dividend issuance at the shareholders' meeting on the Company's business performance and earnings per share: Not applicable.
- (6) Compensation for employees and directors
- A. Quantity or scope of compensation for employees and directors as prescribed by the articles of association:
- If the Company has made a profit, no less than one percent (1%) of the said profit shall be set aside for employees' compensation, at least 45% of it should be allocated as compensation to grassroots employees. A Board Meeting resolution shall determine whether to issue the compensation in stocks or cash. Recipients of the said compensation shall include company employees who satisfy specific criteria. A Board Meeting resolution may set aside no more than one percent (1%) of the amount of the said profit as remuneration for the directors.
- B. The basis for estimating employee and director compensation amounts, and the accounting treatment of potential differences between the actual allocated amounts and the estimated values (used to calculate the number of shares allocated to employee compensation):
- The Company's estimates of employee compensation and directors' remuneration are based on the Company's Articles of Association, which stipulate that if the Company makes a profit in a year, it shall allocate no less than one percent to employee compensation and no more than one percent to directors' remuneration. If the actual amount distributed in the following year differs from the estimated amount, it shall be treated as a change in accounting estimate and the difference shall be recognized as profit or loss in the following year.
- C. Board of Directors approved the distribution of remuneration as follows:
- a. On March 13, 2026, the Board of Directors of the Company resolved to approve the distribution of employee and director remuneration for 2025, which was to be distributed in cash. The employee remuneration amounted to NT\$8,000 thousand and the director remuneration amounted to NT\$7,500 thousand. There was no difference between the expenses recognized in 2025 and the estimated amount.
- b. The proportion of employee compensation distributed in stock to the total net profit after tax and total employee compensation in the parent company only financial statements for the period: Employee compensation for fiscal year 2025 will not be distributed in the form of stock.
- D. On March 14, 2025, the Board of Directors of the Company resolved to approve the distribution of employee and director remuneration for 2024, which was to be distributed in cash. The employee remuneration amounted to NT\$16,000 thousand and the director remuneration amounted to NT\$11,000 thousand, there was no significant difference between the actual compensation received by the company's employees and directors to the amount allocated.

(7) Repurchase by the Company of its own shares during the most recent fiscal year up on the publication date of this report:

Instance	8 th Round
Purpose	To maintain the company's credit and shareholders' equity
Buyback period	April 10, 2025 to June 5, 2025
Price range	NT\$11.80 to NT\$14.40
Type and volume of the repurchased shares	12,124,000 Common shares
Amounts of the repurchased shares	NT\$161,315,026
The ratio of the repurchased shares to the planned buyback shares	67%
Number of shares cancelled	12,124,000 shares
Cumulated holding volume	12,124,000 shares
The ratio of the cumulated holding volume to the total issued shares	1.08%

2. Corporate bond:

Corporate bond type	First Offering of Domestic Unsecured Convertible Bond
Date released	Jan. 25, 2021.
Par value	NT\$100,000 per note.
Location of issuance and trading	Not applicable.
Issuing price	NT\$100,500 per note.
Aggregate amount of issuance	NT\$2.3 billion.
Coupon rate	0%.
Maturity	Term: 5 years. Maturity date: Jan. 25, 2026.
Guarantee agency	Not applicable.
Trustee	Hua Nan Commercial Bank, Ltd., Department of Trusts
Underwriter	Hua Nan Securities Co., Ltd.
Certifying attorney	Not applicable.
Certifying CPA	Not applicable.
Terms of repayment	Unless converted to shares, or redeemed or bought back by the Company at securities firms in advance pursuant to the established procedures, the bond will be repaid upon maturity to the bondholders in cash, commensurate with the face values of the notes they hold.
Outstanding principle	NT\$0 (As of March 31, 2026)
Provision of prepayment and redemption	See Policies on Issuance and Conversion.
Restrictive covenant	None.
Credit rating agency name, date of rating, and corporate bond rating result	No credit rating.
Other information	Amount converted to common shares as of the date of Annual Report
	Policies on Issuance and Conversion
Potential dilution of shares and impact on the existing shareholders equity due to the issuance and conversion policies and terms and conditions	Expired.
Name of exchange	Not applicable.

Convertible Corporate Bonds

Corporate bond type		First Offering of Domestic Unsecured Convertible Bonds
Description		Year From January 1, 2025 to January 24, 2026
Price of convertible corporate bond	Maximum	NT\$103 thousand
	Minimum	NT \$98 thousand
	Average	NT\$99.9 thousand
Conversion price		It was adjusted to NT\$19.23 from September 16, 2025
Date released and conversion price when released		Issued Jan. 25, 2021; conversion price: NT\$22.5.
Conversion obligation fulfilled by		Issuance of new shares.

3. Preferred shares: Not issued.
4. Global depositary receipt: Not issued.
5. Employee stock options: Not issued.
6. Status of restricted employee shares: Not issued.
7. Issuance of new shares in connection with the merger or acquisition of other companies: None.
8. Financing Plans and Implementation:

On January 25, 2021, convertible corporate bonds were issued, and on September 19, 2023, new shares were issued through cash capital increase.

Date on which the aforementioned Implementation of Capital Allocation Plan was uploaded to the Market Observation Post System: April 7, 2021 and October 5, 2023

Financing Plans and Implementation please refer to:

Index path: Market Observation Post System (MOPS) > Individual Company > Equity Changes / Securities Issuance > Capital Raising > Implementation of Capital Raising Plan

https://mopsov.twse.com.tw/mops/web/bfhtm_q2 °

IV. Operational Highlights

The Company is an integrated service provider. Primary invested businesses include the retail of daily commodities and food, life insurance, pharmaceuticals, and information services. The following outlines the operation of the aforementioned business.

1. Business activities

(1) Business scope

A. Primary business operated by the Company: General investments.

B. Primary businesses of companies invested by the Company:

a. Retail of daily commodities and food

- Convenience stores.
- Pet food and supplies.
- Cosmetics and beauty products.
- Restaurants.
- Purchase and sale of shoes and accessories.
- Sale and decoration of furniture, cabinets, kitchen utensils, and mattresses.
- Import and export of the aforesaid products.

b. Life insurance

- Services pertaining to personal insurance listed within the provisions of the Insurance Act, including life insurance, health insurance, personal injury insurance, annuity insurance, universal insurances, as well as personal and group insurance policies for investment purposes. To properly use the premiums and obtain good returns, the premiums are used for investment for a stable and reasonable rate of returns.

c. Pharmaceuticals

- Research and development, production, and sales of active pharmaceutical ingredients (API), API intermediates, and specialized and fine chemicals.
- Quotation, bidding, and distribution of products at home and abroad as well as research and development of the aforesaid products.

d. Information services

- Planning, development and installation of information system software and hardware.
- Planning and operation of information management systems.
- Analysis and development of automated integration system; production planning, production and technology transfer of products.
- System integration and technical support for the aforementioned services.

C. Proportion of business

Business Item	2024		2025	
	Business Revenue	Business Revenue Proportion	Business Revenue	Business Revenue Proportion
Retail of Daily Commodities and Food	25,525,001	12.60%	26,371,309	16.44%
Life insurance	168,588,237	83.52%	124,928,337	77.86%
Pharmaceuticals	1,979,096	0.98%	1,321,119	0.82%
Information Services	4,943,645	2.44%	6,575,029	4.10%
Others	1,482,214	0.73%	1,246,207	0.78%
Total	202,518,193	100%	160,442,001	100%

Unit: Thousand NT\$

Note: Business revenue is the revenue of the segment department.

D. Current products (services) offered by the Company

a. Retail of daily commodities and food

- Purchasing and sales of daily commodities and food, pet supplies, alcohols, beverages, tobacco, daily necessities, cooked food, fresh foods, medical supplies (excluding Chinese medicine and Western medicine), infant products, cosmetics and beauty products (excluding those with pharmaceutical effects).
- Serving of fast food, including noodles, rice, fried pork chops, Japanese bento sets, and pizzas.
- Branded footwear, apparel, and accessories at home and abroad.
- Sale and decoration of furniture, cabinets, kitchen utensils, and mattresses.

b. Life insurance

- Personal insurance: Lifetime insurance, pension, pension in foreign currencies, lifetime insurance in foreign currencies, whole life insurance, and whole life insurance in foreign currencies, etc.
- Personal health insurance: Hospitalization and medical care insurance, cancer insurance, long-term care lifetime insurance, disability care lifetime health insurance, and whole life medical and healthcare insurance, etc.
- Personal accident insurance: personal accident insurance, travel insurance, and online accident insurance.
- Personal pension insurance: immediate annuity insurance, pension insurance with floating interest rates, and deferred annuity insurance.
- Investment insurance: variable annuity insurance, variable annuity insurance in foreign currencies, and variable life insurance.
- Group insurance: 1-year term group life insurance, group health insurance, and group accident insurance.

c. Pharmaceuticals

- API: Valporic acid (VA) and Allopurinol.
- API intermediates: Diethyl dipropyl malonate (DEDPM) and PENT-2 Ethyl 2-allyl-2-cyano-3-methylhexanoate.
- Specialty chemicals: 7 chemicals, including diethyl ketone (DEK)

d. Information services

- Financial business (financial information system software and hardware planning, development, and establishment services), public utilities (project information system software and hardware planning, development, and establishment services), engineering maintenance business (information system software and hardware maintenance), as well as China and overseas business related business.

E. Development projects for new products (services)

a. Retail of daily commodities and food

1. Simple OFFICE Mart: The office mini-store Simple Office offers a seamless shopping experience through the Simple Mart App, featuring an optimized user interface and support for multiple payment methods. It eliminates the wait time of physical store shopping, allowing office workers to purchase popular snacks from physical stores right in their workplace, satisfying afternoon cravings. Simple Office has successfully expanded to companies and organizations such as Far EasTone Telecommunications, iRent, First Financial Holding, Mitsubishi UFJ Financial Group, Hong Yuan Securities, Justina Foundation, Kaohsiung

Startup Center, Nangang Startup Center, Chinese Software Association, Ruten Marketplace, Global Shopping Center, and Chi Mei Hospital, with over 100 locations nationwide. In the future, it aims to provide convenient services to more office workers and employee welfare committees.

2. Go Simple Mart: This e-shopping platform supports multiple payment options and point collection services across channels. During the pandemic, consumers can purchase daily necessities and some products that are unavailable in retail stores such as those with larger volumes and high unit prices on this platform, and ship them to their homes, in the future, through continuous optimization of the platform, marketing automation tools will be introduced to more accurately deliver marketing activities to appropriate members, thereby increasing click-through rates and order rates.
3. Pre-orders: The Company plans to work with local SMEs and vendors in traditional markets based on the schedule of different activities to provide members with a variety of products through pre-orders.
4. Catering and Retail Sector: The focus is on innovating menu items and flavors while strictly managing ingredient quality, emphasizing “care” and “deliciousness.” A central kitchen has been established to streamline product development, ingredient procurement, production management, and warehousing logistics, ensuring rigorous oversight and adherence to food safety policies. With integrity and meticulous processes, every food safety detail is prioritized. Additionally, continuous innovation drives the development of high-quality products, enhancing meal flavors while maintaining high standards to safeguard customer health and safety, fulfilling commitments to consumers.

b. Life insurance

Most Recent Annual Plan	Current Progress	R&D Expense to Be Further Invested	Expected Time to Complete Mass Production	Main Factor in Success in Future R&D
Gimei Yongsheng USD Interest-sensitive Whole Life Insurance (Regular Benefit Option)	Expected to be available in the March 2026	About NT\$500,000	Q1 2026	Is the product structure competitive?
Xinxiang Anxin Term Accident Insurance	Expected to be available in the March 2026	About NT\$1,000,000	Q1 2026	Whether it meets channel demands and the Company’s risk management requirements.

c. Pharmaceuticals

New Product Name	New Product Description
Benserazide	APIs(Parkinson’s disease treatment medication)
Iron sucrose	APIs(Iron deficiency anemia)
LDX-OAc	API intermediates(ADHD Medication)
B Project	APIs(Antineoplastic Radiopharmaceutical)
CDMO-HMTM	APIs(Narcolepsy drugs)
CDMO-X project	APIs(Anti-cancer drug intermediates)
Tapinarof	APIs(Psoriasis Medication)
Rimegepant	APIs(Migraine Medication)

Note: Only the aforementioned R&D projects will go forward, all production lines for the existing products will undergo replacement and modification.

d. Information services

With more than 40 years of experience and achievements in the development of financial system software products and customized designs, we provide financial customers with the best products and solutions. In order to facilitate the integration of various businesses for our customers, to achieve the purpose of customers to save manpower and costs, and to enhance the competitiveness of the company's products and services, in the past four decades, we continue to introduce a variety of ATMs, passbook entry machines, coin deposit machines, cash deposit machines and banknote sorting machine, and the corresponding hardware monitoring, accounting and clearing systems.

In response to the ongoing trend of reducing manpower in branches, our company will focus on the development of automated branch solutions, such as Smart Teller Machines (STM), Teller Cash Recyclers (TCR), automated passbook printers, teller identification systems using fingerprint recognition, etc.

As part of the system engineering integration business, our company has developed and specialized in areas including communications (TETRA, DMR, P25), microwave (radar), ticketing equipment and systems (AG/VAM), database (DB) and server (Server) software and hardware integration development, equipment and environment monitoring solutions (DMS), multimedia (Digital Signage) services, and ServiceJDC's SAAS service, etc.

In the future, the Company will continue to actively develop various application systems and platforms integrating software and hardware equipment, and focus on R&D of products and innovation to meet the customer's satisfactions. The customer's needs shall be the focus while the aim is to improve the customer's operational capacity to develop customized systems to improve information flow, reduce human resource waste, improve overall corporate performance and benefits of the customer, and build highly efficient IT-based services.

(2) State of the industry

A. Current state and development of the industry

a. Retail of daily commodities and food

According to the "2025 Retail Turnover Overview" of the Department of Statistics, Ministry of Economic Affairs, the turnover of the retail industry in 2025 was NT\$4,844.8 billion, a 0.2% decrease from 2024. In 2025, the turnover of retail sale in non-specialized stores reached NT\$1,589.7 billion, accounting for 32.81% of the overall retail industry with an annual growth rate of 3%. Compared to other industries, the retail sector continues to exhibit gradual growth. However, domestic chain supermarkets and convenience stores, after years of operation, have seen a steady increase in store numbers, and their share of retail turnover continues to rise. Additionally, the rise of online shopping trends, improvements in e-commerce platforms, and advancements in logistics infrastructure have impacted physical retail revenues to varying degrees. This has affected the performance of hypermarkets, chain supermarkets, and convenience stores, with the convenience store sector nearing market saturation in recent years. New stores have gradually shifted from street-side locations to deeper community penetration, intensifying competition in the retail market.

In the F&B retail industry, According to the "2025 Retail Turnover Overview" of the Department of Statistics, Ministry of Economic Affairs, the turnover of the catering industry in 2025 was NT\$1,067.4 billion, an 2.86% increase from 2024, growth is no

longer what it was in 2024 years. The Company has been striving to create a quality customer experience through virtual and physical integration to meet the needs of the digital age. Each brand develops meals with new flavors. As for enhancing customers' stickiness, the app of i-Food Card is actively promoted to increase brand exposure in cooperation with multiple payment service providers and electronic ticket providers, including the original JKOS Pay, Line Pay, Easy Card, and iPASS Card; other common tools will be added based on market conditions. The Company also cooperates with UberEats and Foodpanda in response to consumers' dependence on delivery service providers. The Company will cooperate with middlemen in different marketing media and with businesses in different industries, to bring attention to its brands and products so as to achieve revenue growth.

It has become highly competitive in the F&B retail industry. Faced with the highly volatile operating environment and consumer demand, the Company has continuously adjusted its product structures and marketing strategies based on the market demand and trends and continues to optimize digitization and adopt big data to strengthen management and marketing. The Company further has developed differentiated marketing campaigns for individual stores to enhance each's competitiveness, facilitated market segmentation, strengthened regional competitive advantages, and optimized the brand image as a whole.

b. Life insurance

Entering 2025, global uncertainty has risen once again. In early April, the United States announced reciprocal tariff policies, and the New Taiwan dollar also appreciated significantly in a short period. These developments have increased foreign exchange risks and net asset pressure for insurers with substantial overseas investments, thereby disrupting the industry's operating performance to a certain extent. Although trade negotiations have gradually progressed and market volatility has eased, exchange rate fluctuations and policy uncertainties continue to weigh on overall profitability. In the first part of 2025, both pre-tax earnings and net worth of the insurance sector declined compared with the same period of the previous year. Nevertheless, supported by steady growth in premium income, relatively manageable claims pressure in the non-life insurance sector, and relevant policy responses from the government, the insurance industry is still expected to maintain a relatively stable level of profitability throughout the year, although it is unlikely to replicate the peak performance seen in 2024.

Looking ahead, Taiwan's insurance industry will fully adopt IFRS 17 and the next-generation solvency regime starting in 2026, which will fundamentally reshape financial reporting presentation, risk management, and business models. In the short term, the new framework will inevitably create adjustment pressures in capital allocation, asset-liability management, and earnings volatility. However, in the long term, the transition is expected to enhance transparency, risk sensitivity, and capital efficiency, thereby strengthening overall financial resilience and international competitiveness. In preparation for this transition, insurers must actively strengthen data infrastructure, optimize capital and product strategies, and prudently respond to global policy and market uncertainties. With ongoing government support for financial technology, transition finance, and the development of a financial services hub, Taiwan's insurance industry is expected, after adjustment, to return to a stable and more resilient growth trajectory, provided that companies effectively navigate the regulatory transition and external uncertainties.

Traditionally, Taiwanese people look to depend on their children when they become old. However, due to the falling birth rate and the prolonging life expectancy, families have been unable to take care of the elderly alone, and have turned to rely on individuals, the state, and the government to share the responsibilities caused by the aging population. For this reason, the government has actively invested in more resources and implemented social insurance, welfare, and policies related to senior citizens in the past 20 years. For example, senior citizens have benefited the most under the National Health Insurance Act of 1995 that has improved citizen health nationally. Both the Labor Pension Act of 2005 and the National Pension Act of 2008 were enacted to implement social insurance systems to cope with the prolonging life expectancy of Taiwanese citizens. Nevertheless, as the coverage of the nation's social welfare comes out short in places, citizens' reliance on insurance has continued to rise. Subsistence-related types of insurance, such as retirement-related annuity insurance, medical insurance, and long-term care insurance, have increased in demand each year, indicating that Taiwan citizens have turned gradually from death insurance to use insurance to secure welfare and security in their retirement plan. According to the latest statistics from the Taiwan Insurance Institute and the Life Insurance Association of the Republic of China, the current domestic insurance coverage ratio is showing a year-on-year growth trend. With the steady increase in the insurance coverage ratio, each person has two life insurance policies or annuity insurance policies. In recent years, what is worth attention is that the penetration rate seems to have slowed down. The challenge for insurance companies is to make the general public understand the true meaning and importance of insurance, and actively develop insurance products that meet policyholders' needs while continuing to expand the insurance market. According to the statistics of the Taiwan Insurance Institute (detailed in the table below), as for the growth rate of the total premium income of domestic life insurance from 2016 to 2025, benefiting from the U.S. Federal Reserve (Fed) launching an interest rate cut in 2025 and the booming capital market, the total premium income increased by 7.53% in 2025 as compared to the same period in 2024.

Statistics on Premium Income in Taiwan

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Premium Income (NT\$100 million)	31,334	34,202	35,116	34,667	31,640	29,711	23,344	21,879	24,402	26,240
Growth Rate (%)	7.06	9.16	2.67	(1.28)	(8.73)	(6.10)	(21.43)	(6.27)	11.53	7.53

Source: Taiwan Insurance Institute (TII).

The market penetration of Taiwan's life insurance companies (as assessed by the proportion of premium income as part of the GDP) is remarkably high. Despite this, average coverage per individual remained low, showing that most people still preferred insurance products that offered return on principals or functioned like a fixed deposit. However, such products offered lower levels of insurance payments and lacked adequate protection. Families are having fewer children and society is aging rapidly. There are still opportunities in Taiwan's life insurance market. Insurance companies will continue to actively invest in R&D to develop traditional life and health insurance products to cater to the segregated market requirements and pension insurance products that cater to the aging society. All these are key areas of product development efforts within the insurance industry.

c. Pharmaceuticals

According to statistics from IQVIA, the global pharmaceutical market size in 2024 was approximately US\$1.74 trillion, representing an 8.9% increase from US\$1.60 trillion in 2023. Developed markets accounted for approximately US\$1.42 trillion, or 81.23% of the global pharmaceutical market. The top ten developed countries recorded a combined market size of approximately US\$1.19 trillion in 2024, representing 68.26% of the global pharmaceutical market. Emerging pharmaceutical markets reached approximately US\$312.2 billion, accounting for 17.84% of the global total, while low-income countries recorded pharmaceutical sales of approximately US\$16.1 billion. According to IQVIA's forecast, the global pharmaceutical market is expected to grow at a compound annual growth rate of 5-8% from 2025 to 2029, reaching an estimated US\$2.36 trillion by 2029. The scope of Taiwan's biotechnology and pharmaceutical industry primarily covers six major sectors: the pharmaceutical industry, medical device industry, applied biotechnology industry, health and wellness industry, digital health, and regenerative medicine. As Taiwan's biopharmaceutical suppliers continue to develop new products and develop business layout in the international market, Taiwan's biopharmaceutical industry exports have increased accordingly, further expanding the scale of our country's biopharmaceutical industry. In 2024, the total revenue of Taiwan's biotechnology and pharmaceutical industry reached NT\$775.4 billion, representing a 2.32% increase from NT\$757.8 billion in 2023. However, within the sector, the pharmaceutical industry experienced a surge in growth in 2023 due to the effect of urgent orders, with a growth rate reaching 34.34%. In 2024, as operations returned to normal conditions, revenue declined to NT\$119.6 billion, representing a decrease of approximately 7.36%, which in turn moderated the overall growth of the biotechnology industry's revenue.

Taiwan's pharmaceutical industry, which comprises the western medicine preparation, the Chinese medicine preparation, biopharmaceutical, and the active pharmaceutical ingredient (API) segments, has grown stably for years thanks to the growth in demand in the domestic market and the success in developing the export market. The scale of our nation's active pharmaceutical ingredient (API) market is small, and most domestic active pharmaceutical ingredient (API) companies mainly export. According to the Import and Export Statistical Data of the Republic of China's Customs, our nation exported active pharmaceutical ingredient (API) to 68 countries in 2024, with an export value of NT\$5.551 billion, an increase of 7.9% compared to 2023. Japan, mainland China, India, the United States and Germany are among the top five countries in our country's exports of active pharmaceutical ingredients (APIs). Among them, only the amount exported to Japan, mainland China and United States increased. In 2024, the import value of active pharmaceutical ingredient (API) was NT\$7.354 billion, representing a growth of 10.9% compared to 2023. Among them, imports from the Netherlands increased significantly from NT\$12 million in 2023 to NT\$371 million in 2025, representing a growth rate of 2,890.41%.

Statistics on Import and Export Value of Taiwan's API Industry

Unit: NT\$100 million; %

Item \ Year	Export Value				
	2020	2021	2022	2023	2024
APIs	44.9	48.2	54.2	51.5	55.5

Item \ Year	Import Value				
	2020	2021	2022	2023	2024
APIs	65.4	56.7	58.5	66.3	73.54

Source: Import and Export Statistical Data of the Republic of China's Customs.

Note: The import and export value of active pharmaceutical ingredients (APIs) is represented by the Harmonized System code corresponding to the specific product category of active pharmaceutical ingredients (APIs).

According to statistics from the Industrial Development Administration of the Ministry of Economic Affairs, Taiwan's biotechnology and pharmaceutical industry recorded total investment of NT\$55.148 billion in 2024, slightly higher than NT\$55.055 billion in 2023. By industry segment, the pharmaceutical sector continued to account for the largest share of investment, reaching NT\$27.846 billion in 2024, only slightly lower than NT\$28.167 billion in 2023. This was mainly attributable to continued stable investment by private companies in Taiwan. Furthermore, despite the global economy in 2024 being affected by tensions between the two major economies—the United States and China—as well as inflationary pressures and geopolitical instability, investment in Taiwan's pharmaceutical industry still reached NT\$27.846 billion. This indicates that investors remain highly optimistic about the long-term prospects of the pharmaceutical sector.

The Taiwanese government has continued to promote the development of the biotechnology industry. Since 2017, it has implemented the “5+2 Industrial Innovation Plan – Biomedical Industry Innovation Promotion Program,” focusing on two major pillars: “strengthening the ecosystem” and “developing the industry value chain,” with the goal of advancing toward precision health. In 2021, in response to global economic disruptions and supply chain restructuring caused by the U.S.–China trade tensions and the COVID-19 pandemic, the government launched the “Six Core Strategic Industries Promotion Program – Taiwan Precision Health.” This initiative aims to establish Taiwan as a global benchmark for precision health through four major strategies: building genomic and National Health Insurance big data databases; developing precision prevention, diagnosis, and treatment care systems; developing precision epidemic-prevention products; and expanding international biomedical business opportunities. Taiwan officially entered a super-aged society in 2025. To address the challenges associated with population aging, the government approved the “Aging Technology Industry Action Plan” in 2023, which was officially launched in 2024. Through cross-ministerial coordination and public–private collaboration, the plan addresses the practical needs of active seniors, older adults, and caregivers. Guided by the core value of “technology accessibility for all,” the initiative focuses on four major areas: promoting a market-driven economy, expanding digital empowerment, improving care efficiency, and enhancing quality of life for the elderly. By introducing technological applications in areas such as health promotion, digital participation, care support, and social connectivity, the program aims to gradually build a technology-enabled environment that is friendly to an aging society.

d. Information services

In the field of FinTech, innovative technologies and services are constantly emerging, including disruptive payment innovations, platform as a service, blockchain technology, digital assistants, fully automation, FinTech incubators, digital banks, business alliances, advanced credit models, and Internet security.

In the era of marginalized profit, automation has become inevitable as financial institutions constantly look for means to reduce cost. ATMs have replaced manual procedure in processing simple deposits, withdrawals, payments, and money transfers, so the financial institutions can turn their manpower to transactions in personal finance and private banking that have higher added values. Accordingly, the demand by financial institutions for ATMs will only increase, and the customers

in choosing financial institutions will also consider whether they have sufficient ATMs for convenience. Therefore, how to provide customers with faster, more convenient, more reliable, and multifunctional automated services has become the key to the competition in the banking and financial services industry. With the technological advancement that includes the rapid development of information technology, the ways in which customers and banks interact have continued to change. Young people rarely go to the bank in person for financial transactions, and the conventional over-the-counter services have gradually been taken over by online banking. For example, online account inquiries, transfers, and payments are the transaction methods born from the banks' transformation in response to finance digitization. With the maturity of the mobile application technology and the prevalence of smartphones, financial life has been made available in the everyday life, in that the customers can access various banking services via the Internet at any time and in any place, leading to the thriving development of mobile banking and mobile payment. In response to the Bank 4.0 era, the financial institutions have strived to increase self-service banking and enhance over-the-counter transaction services in recent years, and while the old machines are being replaced and the functions of the new machines enhanced, there will be uncountable business opportunities in the market for automated financial services equipment.

With the rapid advancement of technology, financial automation equipment has evolved from the previous cash dispenser (CD) and automated deposit machine (ADM) to the recycler ATM (RATM). RATM not only significantly meets customers' deposit and withdrawal needs and improves cash management efficiency for banks but also enables banks to save on high cash transportation costs by utilizing the recycling function. Since its introduction, RATM has transformed the ATM market, gradually replacing CD, ADM, and other devices. Today, RATM accounts for more than 70% of the market.

The evolution of ATM screens is also one of the industry trends. The new generation of ATM screens has evolved from the previous 15-inch horizontal screens to 19-inch vertical screens, similar to cell phones. The screens allow users to swipe and tap, similar to mobile phone usage habits. The user interface has been upgraded to provide a more intuitive operation process, and users can instantly check their balance during transactions. It is anticipated that, in post-pandemic Taiwan, there likely will still be ample room for growth as we continue to innovate the ATM's functionality to secure the citizens' preference of using it.

According to the "Investigation Analysis of Mobile Payment Consumers" released by the Market Intelligence & Consulting Institute (MIC), the proportion of cash payments by Taiwanese people is 60%, indicating that cash is still the most commonly used payment tool for the general public. In the process of cash payment, there will inevitably be change, but too much change often also leads to the need to deposit the change or exchange it for bills, and for small businesses and vendors that often receive many coins, whenever they intend to deposit money at the bank, the coins are heavy and inconvenient. Therefore, in order to quickly meet needs of the public and businesses, the ATM for coin change has been introduced. As long as the coins are poured into the machine, the coin deposit machine will automatically count the amount and complete the deposit, and the operation is very convenient. This is sufficient to meet the needs of the public and those businesses while reducing the number of visits to banks for the businesses and the operating cost for

banks. Moreover, the Financial Supervisory Commission has approved the launch of change deposit machines since 2017, many banks are interested in launching this product and service, and also set up the machine at various points across Taiwan to attract consumers.

In addition, in recent years, the financial industry has followed the trend of Fintech 2.0 and introduced various solutions that combine biometric identification technology with financial automation equipment to achieve cardless cash withdrawal and password-free identity verification functions. One example is China Trust Business Bank (CTBC Bank), a market leader. They have introduced the “finger vein scan RATM.” This technology allows people to withdraw money easily with just one finger. In the future, in compliance with the relaxation of relevant financial laws and regulations, finger veins can also be used for online account opening, loans, and other services, providing more convenient financial services in conjunction with other emerging technologies. In addition, cardless cash withdrawal integrated with mobile devices allows users to simply “scan” the QR code on the ATM and enter their password to withdraw cash. Other banking institutions have also introduced various identification methods. For example, Bank SinoPac, Cathay United Bank, and Taishin International Bank have all launched mobile cardless cash withdrawal services. Cathay United Bank also offers QR code cash withdrawals. These convenient cash withdrawal options have been made possible by new technologies.

In the financial automation systems services field, the Company conducts mainly as an agent of Hitachi-Omron products. We are Hitachi-Omron’s sole agent distributing its financial automation products in Taiwan, and in that role, has contributed immensely to the promotion of financial automation for over 40 years here. Simply put, the Company is the leader in the ATM and financial terminal system businesses in the country. Our cash deposit/recycler ATMs have steadily occupied the largest market share in Taiwan.

In recent years, due to the increasing complexity of social, economic, and environmental systems, such as environmental pollution, population growth, traffic accidents, and arms races, people are facing more and more complex problems in organizing, managing, coordinating, planning, predicting, and controlling large-scale systems. Solving such highly complex problems based solely on human experience has proven to be inadequate. It requires the application of scientific methods to improve the ability to collect, store, transmit, and process information. Systems engineering integration has gradually become larger and more specialized in response to this situation.

Due to this trend, the company focuses on high-value-added system engineering integration businesses such as communication, microwave, wide-range equipment monitoring and management, high-tech database design and maintenance, and design and development of large-scale systems. This has led to projects such as the Taiwan Railway Administration (TRA) Train Dispatching Radio System, Taiwan Power Company User Electricity Service Big Data Platform, Coastal Surveillance Radar System, and 911 Fire Department Dispatch System. With over 15 maintenance centers across Taiwan and more than 300 maintenance engineers, the company is able to provide professional and timely repair services to customers. As a result, it has gained the trust of government agencies, banks, post offices, telecommunications companies, and educational institutions. This trust is key to the

company's sustained market competitiveness and has allowed it to establish another core business outside the financial automation field. The company has become the preferred partner for many government and corporate organizations.

B. Correlation with upstream, midstream, and downstream sections of the industry

Category		Upstream	Midstream	Downstream
Retail of Daily Commodities		Manufacturers, agents, distributors, and logistics service providers	Retailers	End consumers: companies or individuals
Retail of Food		Raw material suppliers	Research and development, production, and sales of food and beverages	End consumers: companies or individuals
Life Insurance		Individuals or groups' direct purchase of insurance with personal insurance industry, or procurement of insurance policies from insurance agents or proxies	Personal insurance	After acquiring insurance payments, part of the capital will be re-insured for risk diversification. Other capital will be invested in financial markets to acquire profits.
Pharmaceuticals		Pharmaceutical APIs include natural products and general chemicals, Cells, Microorganisms, and Genetically Modified Animals and Plants	API companies usually synthesize APIs using chemical means, extraction, purification, biological fermentation, microbial fermentation, and genetic engineering.	Pharmaceutical preparation companies would process APIs into various dosage forms such as capsules or creams for easier consumption or application
Information Services	Automated Financial Services	Deposits, withdrawals, cash recycling modules as well as cash boxes, safes, and industrial computers.	Manufacturing and testing of ATMs and other products	Setup, installation, connection, testing, and maintenance services for banks and financial companies
	System Integration Services	Software development, product agency, solution provision, and supply of IT-related equipment	System analysis and testing	System setup, maintenance, and training → Financial institutions and government agencies
	Repairs and Maintenance	System setup, equipment provision, and maintenance personnel	-	Regular maintenance and repair services → Banks and Department of Rapid Transit Systems

C. Product development trends and competition

a. Retail of daily commodities and food

In addition to continuing to provide freshly brewed coffee sales, various collection services will be gradually introduced to provide community residents with more convenience. Based on core competencies, we will continue to improve and adjust the content of the products sold, such as starting from 2023 to create 「alley wine cellar」, and continue to expand the sales of spirits, red wine and other products. We also continue to enhance the functionality of our app, such as introducing transaction details for convenient member inquiries about the content of in-store and online transactions at Simple Mart, launching a grab-and-go service that allows consumers to pick up their ordered coffee or related products at any store, and continually optimizing the online picture purchase and pre-order features to ensure a smooth consumer journey.

Despite increase in basic wages, labor costs continue to rise, the retail prices cannot be adjusted proportionally. Thus retailers tend to scale, franchise, and differentiate their businesses and products. In particular, scaling up helps to spread fixed costs and gain economies of scale to increase bargaining power and lower the costs of materials purchased; franchise helps to standardize the establishment of new outlets to facilitate

expedient expansion and immediate profitability while lowering the administrative costs for running individual outlets; and differentiation helps to establish niches in market segments under the intense competition to secure operating profit. In addition to continuously developing its own products to reduce costs and attract customers with high-quality goods and affordable prices, our company also actively seeks high-quality products from various countries to obtain low-cost procurement through self-importation and pass the savings on to consumers.

In the restaurant industry, the pursuit of “convenient” mobile payment consumption is leading to a new lifestyle trend. Aiming at the “fintech (beep)” economy and snatching the “stay-at-home” economy, Mercuries F&B Co., Ltd. has entered the e-payment ecosystem to create a diversified range of services. Multiple electronic payment methods have been introduced to provide non-cash payment services in addition to credit cards and electronic tickets. In addition to its own Napoli Co., Ltd. delivery fleet, Mercuries F&B Co., Ltd. also partners with third-party delivery platforms to effectively allocate labor while developing delivery services that cater to both “dine-in” customers who value the on-site experience and “delivery” consumers who seek efficiency and convenience. Consolidate the restaurant business entity and provide diversified and convenient consumption choices to create a win-win situation.

The food and beverage retail sector continuously innovates and improves its products and operations, prioritizing food safety, implementing employee training, and maintaining store hygiene to provide consumers with the most comprehensive and considerate products and services, earning public trust and recognition. It aspires every store to serve as a foundation for sustainable business operations. Through a strategy of “diverse services and localized operations,” the sector continues to develop various store formats to offer more high-quality, convenient service locations, such as “residential and commercial office stores” integrated into daily life, “department and mall stores” targeting shopping crowds, and “highway service area stores” providing reliable dining options for travelers. With nationwide store expansion and diverse business models, the sector penetrates every city, town, and community in Taiwan, meeting the needs of consumers dining out.

In the overall service industry market, both service output and employment continue to increase. In order to strengthen their competitive advantage, businesses are moving towards larger scale, chain operations, and differentiation. Economies of scale would allow companies to pursue long-term development provided that capital is not a problem. These approaches allow companies to introduce overseas technologies and lower operational costs. Franchise development establishes a standard procedure for creating new storefronts to achieve rapid expansion to the desired business scale and reduce goods purchasing costs. Differentiation, on the other hand, refer to identifying target and niche markets in a competitive environment to sustain business profitability.

b. Life insurance

(a) Development trends of life insurance products (source: Life Insurance Association R.O.C.)

The total premium revenue of the life insurance industry for 2025 amounted to NT\$2.3776 trillion, an increase of 7.2% from NT\$2.2182 trillion in the previous year, of which the revenue from the initial annual premiums was NT\$0.7756 trillion, an increase of 21.1% from NT\$0.6403 trillion in the previous year. The revenue from annual renewal premiums was NT\$1.6021 trillion, an increase of 1.5% from NT\$1.5779 trillion in the previous year.

In order to reasonably evaluate the overall commodity operation status, as for whether the investment profit or loss is borne by the insurance company, another analysis is made to distinguish between traditional products and investment-linked products. The premium revenue from of traditional products amounted to NT\$2.1019 trillion, an increase of 5.3% compared with last year's NT\$1.9954 trillion, of which the revenue from the initial annual premiums was NT\$584 billion, an increase of 16.5% from the previous year, and the revenue from annual renewal premiums was NT\$1.5179 trillion, an increase of 1.6% from the previous year. The revenue from investment-linked insurance product premiums was NT\$275.7 billion, accounting for 11.6% of the total premium revenue, of which, the revenue from the initial annual premiums was NT\$191.5 billion while and the revenue from annual renewal premiums was NT\$84.2 billion.

(b) Development trend of channels

According to the statistics of the Life Insurance Association of the Republic of China, the annual premium revenue at the beginning of 2025 was NT\$775.588 billion, of which the life insurance companies' own marketing system amounted to NT\$274.805 billion, accounting for 35.43% and banks' channels reached NT\$338.254 billion, accounting for 43.61%, while traditional insurance brokers and insurance agents only arrived at NT\$156.939 billion, accounting for 20.23%. The share of first-year premium income generated through bancassurance channels has exceeded that generated through life insurers' own marketing systems. From the perspective of product categories, the first-year premium income for traditional life insurance products generated through bank channels has already surpassed that generated through life insurance companies' direct sales channels. However, for traditional products such as health insurance and accident insurance, life insurance companies remain the primary sales channels. To maintain stable growth in new policy premium income, insurers have devoted considerable efforts to the development and maintenance of their distribution channels. The development trends of the major distribution channels are analyzed as follows:

① Sales representatives

In response to the financial crisis and IFRS4, European insurance companies are facing massive pressure due to large withdrawals from their liability reserves. Since 2008, a number of overseas insurance companies, such as ING, Prudential, TransGlobe, and MetLife began initiating partial or complete withdrawals of their operations in Taiwan. Faced with the withdrawal and resale of overseas insurance companies, as well as the development of various marketing channels in recent years through cross-sector alliances and cross-marketing in the group, the survival space of business personnel has been significantly reduced. However, for life insurance companies, talent management is the key to sustainable development. Moreover, the higher profit contribution from the insurance policies brought by salespeople still cannot to be underestimated. Therefore, life insurance companies have offered various financial subsidies and actively launched advertisements to shape their images, hoping to attract young salespeople to join. Currently, the life insurance industry still requires a constant supply of new employees to effectively improve the competitiveness of performance.

② Banks

Rapidly growing premium income from banking channels could be primarily attributed to the impact caused by the financial crisis. Public attitude toward investments became increasingly conservative. In view of this, banks launched short-term insurance policies with relatively low risk, such as pension insurance and savings insurance, interest-sensitive products, investment-linked products, and mortgage life insurance. The public also demonstrated increasing acceptance for insurance products and proactively inquired into related insurance products with banks. Therefore, it is easier to sell insurance products through bank clerks. Products marketed through banks were no longer restricted to investment or financial products. This made sales channels through banks a lot more flexible while allowing insurance companies to market products that benefit financial structures more, providing improvements to consumers, banks, and insurance companies alike. As the insurance market continues to mature and as we enter an aging society, more post-retirement plans and products as well as long-term care insurance will be released. Advantages of both banks and insurance companies shall be leveraged to attract an increasing number of clients.

(c) Competitive situations

As for investment insurance, the investment-linked products have seen remarkable growth driven by the steady growth of the global economy and the stock markets continually record new heights. However, as the Taiwanese turned attention to their health and medical needs due to prolonged life expectancy, lifelong medical insurance, cancer insurance, and long-term care insurance have become key products that the customers look for to complement other policies. These policies drive the Company's growth while meeting the customers' needs.

Statistics from the Life Insurance Association R.O.C. showed that the Company had market share of 4.20% in terms of total premium income in 2025, ranking No.7 among 21 life insurance companies in Taiwan.

c. Pharmaceuticals

(a) Production development trends

The overall demand for pharmaceuticals is closely related to population growth. There has been a steady growth in sales of pharmaceuticals which are less affected by the overall economic environment. Besides, the emerging countries have rapidly developed their economies in which the medical care expenses grew alongside the GDP. Therefore, driven additionally by the demand of the emerging countries, it is anticipated that the global pharmaceutical market will continue to grow. The global sales of pharmaceutical products in 2024 was US\$1.74 trillion, which represented a growth of 8.9% compared to 2023. According to Fitch Solutions, the 2025 to 2029 CAGR for pharmaceutical sales will be about 5% to 8%, reaching US\$2.36 trillion in 2029.

(b) Conditions of competition

By 2029, the global pharmaceutical market is expected to reach US\$2.36 trillion, while the global generic drug market is projected to expand to US\$666.5 billion. The growth is mainly driven by the continuous expiration of patented drugs each year, allowing generic drugs to capture market share. Another contributing factor is the increasing adoption of generic drugs by healthcare institutions in order to reduce medical costs. In addition, mergers and acquisitions have become an

important competitive strategy for major pharmaceutical companies in recent years to strengthen their production pipelines and expand into new fields. In 2025, the biotechnology sector has once again seen a wave of mergers and acquisitions activity. For example, Delta Electronics invested NT\$2.1 billion to acquire more than 90% of the shares of ACT Genomics, while Carl Zeiss of Germany fully acquired Brighten Optix for NT\$5.44 billion. In addition, Synmosa plans to launch a public tender offer at NT\$24 per share to acquire up to 30% of Genovate Biotechnology, aiming to further expand its biotechnology and pharmaceutical footprint.

- (c) Intense competition in the pharmaceutical preparations market also affected the development of API companies. The primary cause was price competitions between Chinese and Indian API companies. Companies from both countries enjoy advantages of a massive domestic market and planned support from the government, and their price competition may lead to reduced sales and competitiveness of API companies in other countries.

d. Information services

(a) Financial Automation System Business

In recent years, the Company has actively promoted to clients the latest generation of cash recycling ATM manufactured by Japan's Hitachi. In addition to the low energy consumption, feature recirculation and a large-capacity bill hopper that reduces the number of times an operator must unload and replace bills. The thoughtful design of the guide screen also reduces the operator's difficulty in removing obstructions, allowing the staff to identify problems easily and quickly to troubleshoot them, shorten the machine downtime, and improve the efficiency of the machine. There are currently approximately 17,350 ATMs in the market, accounting for 52% of the total number of ATMs in the market. Thanks to the Company's active marketing efforts, the recycler ATM has gradually become the most popular model in the market, thereby increasing the Company's recycler ATM market share. To introduce products with differentiating advantages, the Company has also actively promoted deposit machines that could connect logistics, department stores, or franchises with banks to settle the daily account in their stores and deposit revenue in cash immediately through the system. Cash is in the custody of the security personnel. This deposit machine is the only model in the market to take both coins and banknotes, and could help customers reduce expenses incurred by providing needed security for physical banknotes.

In addition, in order to meet the uninterrupted demand for services 7X24 in the financial industry, the introduction of STM is a smart bank service. Banking customers can interact and cooperate with tellers through the dedicated STM equipment and operation interface to avoid multiple filling of personal data, and reduce the waste of paper, so that customers can quickly complete the account opening process. In the future, it can combine New eID (chip ID) and finger-vein to simplify the mechanism of identity verification, such as agreed account application and online banking password reset. STM can be used in addition to identity verification to facilitate the operation of people, make the branch services more and more intelligent, and satisfy the uninterrupted service direction of the branch 7x24, so STM will be the target of the future intelligent branch prepare.

To help financial companies develop digital financing and smart branches, the Company has also actively developed total solutions for branch expansions. The proprietary branch reception system and smart branch solution helped branch tellers gain the understanding of customer requirements before they arrived at the branch. Interactive multimedia visual displays could also be used to improve the promotion of financial products and the image of banking services.

Teller Cash Recycler (TCR) was also introduced as an answer for convoluted cash handling in branch offices. TCR equipment allows tellers to quickly authenticate banknotes, calculate the total value, and arrange them accordingly. TCRs could also promptly determine current banknote levels in various branches and notify the headquarters of this information to achieve more efficient cash management and deployment.

Finger vein ATM identifies finger veins instead of traditional ATM card identification. Customers could withdraw money by placing the finger on the reader and entering the password. Card-free RATMs that use the finger-vein authentication have been highly recognized in the market, and many banks have launched RATMs, showing unlimited business opportunities in the future.

"Taiwanese dollar and foreign currency cash exchange machines" are the extension of RATMs, with the functions of document scanning and identification and foreign exchange and change making. Banks can extend the NT. dollar and foreign currency cash exchange machines to the two-way Taiwanese dollar and foreign currency cash exchange business, providing citizens or international travelers safe and convenient foreign exchange services.

According to the Financial Supervisory Commission's 2025 Taiwan Financial Inclusion Indicators, every 100,000 adults in Taiwan have access to 165 to 168 ATMs on average, more than three times the global average. This is mainly because ATMs have been widely installed in convenience stores. The large populations in Taiwan's six special municipalities and the high prevalence of convenience stores have contributed to the increase of this indicator. Banks are actively promoting financial inclusion, introducing features such as voice-guided ATM services for the visually impaired, assistive screens for persons with disabilities, and bilingual services.

In response to evolving fraud tactics and government anti-fraud policies, banks are investing heavily in anti-fraud software for ATMs. With millions of daily transactions, relying on manual reviews or experience to detect suspicious activities is challenging. By leveraging AI, proprietary bank models, knowledge bases, and big data integration, banks can intercept fraudulent activities and protect customer assets, to meet the needs for fraud prevention, interbank withdrawal restrictions have been adjusted, this will help the company provide related software services.

Taiwan's banking market is becoming increasingly saturated and competitive for financial service providers, leading to reduced profitability. Future trends will therefore include integration and total solutions for comprehensive financial service provision for financial companies.

(b) System Engineering Integration Business

The system integration business centers on finance, transportation, telecommunications, education, and fire protection. To provide better services for

customers, Major Account has been introduced. Aiming for total solutions, we offer integrated services to major accounts and continue to grow in the business cycle of installation, warranty, and maintenance.

As a seasoned system integrator, Mercuries Data Systems Ltd. has extensive experience in field services such as maintenance, sales, construction supervision, commercial collaboration, and equipment inspections. This led to the development of a one-stop management system, “Service JDC,” offered as a cloud-based service to accommodate the limited resources of SMEs, allowing businesses to adopt new technology without incurring significant upfront system costs. Managers and field staff can use a mobile app and web portal for attendance tracking, GPS check-ins, shift scheduling, leave requests, payroll calculations, task assignments, work reporting, electronic forms, mobile approvals, customer management, mileage tracking, equipment maintenance, contract management, scheduling, data collection, BI analytics, and multi-language support, enabling efficient cross-border management and remote work. “Service JDC” uniquely includes dedicated consulting, offering one-on-one support to understand each business’s needs, pain points, and use cases, followed by tailored implementation planning. Service JDC website: <https://www.servicejdc.com/>.

The company’s innovative research and development of the “Service JDC” was recognized in the “Young Generation - 2017 Golden Young Award - Young Fun” competition organized by the Industrial Development Bureau of the Ministry of Economic Affairs. In addition, “Service JDC” was launched at the 22nd World Congress on Information Technology (WCIT 107) in Hyderabad, India’s emerging technology city. With the support of the Technology Department and the Industrial Development Bureau, Ministry of Economic Affairs and the referral by the Information Service Industry Association of R.O.C., Service JDC” won the Mobile Excellence Award.

(c) Repairs and maintenance

Many automated equipment or systems in the market have been used for many years. Regular maintenance and repair is a prerequisite for the normal and stable operation of automated equipment. Increasing reliance on automated equipment also means growing dependence on maintenance and repair services. The market for such services will only increase as customers in various industries, such as finance, transportation, and telecommunications, pursue a greater degree of automation. The Company strives to control the service lifecycle of customers' products by providing consultancy services for equipment replacement and building long-term partnerships. The understanding of automated equipment and systems and their structure, the supply of spare parts, and the quality and staffing of the maintenance personnel are the factors in the quality of maintenance and repair services. Therefore, a large part of maintenance and repair services for equipment and systems depends on equipment providers or installers, so competition is relatively low. The Company has over 40 years of experience in maintenance and repair services and established 15 service stations nationwide (including Kinmen and Penghu). The comprehensive repair and maintenance network is capable of providing prompt services for customers to secure greater market share.

(3) Technologies and R&D efforts

A. R&D investments made in the most recent year up to the printing date of this annual report

Unit: Thousand NT\$

Category \ Year	2025	As of March 31, 2026
Retail of Daily Commodities and Food	16,627	2,123
Life Insurance	41,269	13,734
Pharmaceuticals	37,818	9,100
Information Services	249,801	61,576
Total	345,515	86,533

B. Technologies or products successfully developed in the most recent year up to the printing date of this annual report

a. Retail of daily commodities and food

(a) Electronic Shelf Label Application

As labor shortages intensify across society, reducing and simplifying store labor to retain and attract talent has become a critical issue for physical retail operations. In 2024, the adoption of electronic shelf labels was approved, with installation completed for all Simple Mart and Simple Mart Plus in 2025. This reduces the labor spent by staff on replacing price tags during promotional periods and minimize consumer disputes caused by outdated paper tags. Beyond lowering operating costs, the introduction of electronic shelf labels will be accompanied by continued investment in supporting hardware and software, enabling more dynamic functions, such as real-time promotional pricing tied to supplier campaigns, weather, or holidays, and flexible price adjustments based on store inventory to reduce waste and clear stock.

In 2025, the electronic shelf label information integration platform was upgraded. Based on product expiration intervals, promotional information, and shelf layout diagrams, the display layout of the electronic shelf labels was automatically adjusted to enable consumers to clearly identify product prices. Price tag management information was updated in a timely manner, enabling store personnel to clearly monitor the update status of electronic shelf labels throughout the store, identify abnormal electronic shelf labels, and reduce the impact on the shopping experience caused by consumers viewing incorrect information.

(b) Ordering Recommendation System

The core brand, Simple Mart, is a community-based mini supermarket. Due to the large number of merchandise items, it takes a lot of time to accurately complete the daily ordering and replenishment operations. Through the self-developed ordering recommendation system, we calculate the most appropriate ordering quantity based on the historical sales data and the store inventory, merchandise delivery cycle, promotional period, and other parameters, which effectively assists and improves the efficiency of the store staff's ordering operations and achieves effective inventory management, as well as reduces the risk of out-of-stock and backlog of inventory. Due to the rapidly changing retail environment, the boundaries of retail districts have been broken by the widespread adoption of delivery services, making it more difficult to predict product sales. Additionally, unstable seasonal temperatures and

unpredictable weather conditions can lead to store shortages, which can impact company performance. The company continuously adjusts relevant parameters to adapt to environmental changes and invests resources in demand forecasting systems.

(c) Consumer Data Analysis

Since its establishment, we have accumulated consumer shopping information for many years. By establishing a data warehouse and using information reporting tools, we analyze the distribution of members in each store, category sales, regional consumption characteristics, and member consumption profile labels to understand the consumption profile of the core customer group. This allows us to provide the necessary products and services and flexibly design various marketing activities to meet consumer experience. The company plans to introduce more efficient data analysis tools in the future to reduce the subjective influence of manual analysis.

(d) In the food and beverage sector, a consumer-centric approach drives collaboration with third-party platforms to integrate innovative technologies and offer diverse payment methods, including credit cards, EasyCard, iPASS, Line Pay, and JKO Pay. Additionally, with growing reliance on food delivery, partnerships with delivery services like Uber Eats, Foodpanda, and Lalamove have been established. Implementing online ordering, delivery integration, and fast self-service kiosks to provide customers with a superior and more satisfying dining experience.

(e) The first store of Mercuries F&B's new brand, Mercuries Cloud Kitchen, was established in Banqiao District, New Taipei City. It opened with four major direct-operated brands of Mercuries F&B: Sanshang Qiaofu, Napoli Fried Chicken, TonKa Tsu, and Sanshang DonMono stationed in. The Cloud Kitchen can adapt to changes in market dining habits and consumer behavior, strengthen the cross-regional delivery market, allow good products to have good business models and quickly share good products with more places.

b. Life insurance

The life insurance business is an element of the financial services industry. The design and R&D of the Company's major products are the responsibilities of the Product Development Department, which has five divisions, namely Product Development Section I, Product Development Section II, Product Development Section III, Investment Product Section, and Product Analytics. The Product Development Sections I, II, and III are mainly responsible for the traditional life insurance, interest-sensitive annuity insurance, health insurance, accident insurance, and group insurance; the Investment Product Section is mainly responsible for investment-based life and investment-linked annuity insurances; and the Product Analytics Division handles IFRS17-related matters. Each section is responsible for conducting market research and surveys, product development, presale, and after-sales management, and other relevant works specific to the types of insurance or projects for which it is responsible.

As of February 28, 2026, there were 33 employees (including department supervisors) at the Department of Products, accounting for approximately 1.8% of the total office personnel; 27 had a master's degree; and 2 obtained recognition from Fellow of the Society of Actuaries (FSA), 4 employees acquired recognition of Associate of the Society of Actuaries (ASA) ; 5 employees have worked at MLI for less than 2 years, another 10 for 2 to 5 years, another 9 for 5 to 8 years, and the remaining 9 for more than 8 years.

The successfully developed products are as follows:

Year	Name of Insurance
2025	Mercuries Life Insurance Zengduoxin USD Interest-sensitive Whole-life Insurance (Regular Payment)
	Mercuries Life Insurance Chaoduoixin USD Interest-sensitive Whole-life Insurance (Regular Payment)
	Mercuries Life Insurance Anxin Medical Inpatient Regular Health Insurance (Type A)
	Mercuries Life Insurance Anxin Medical Inpatient Regular Health Insurance (Type B)
	Mercuries Life Insurance Jin Zeng Duo Li USD Variable Rate Enhanced Lifetime Insurance (Periodic Payment Type)
	Mercuries Life Insurance Jin Zeng Ji Li USD Variable Rate Enhanced Lifetime Insurance (Periodic Payment Type)
	Mercuries Life Insurance Zhen Ai Yi Kao Inpatient Medical Health Insurance (Type A)
	Mercuries Life Insurance Zhen Ai Yi Kao Inpatient Medical Health Insurance (Type B)
	Mercuries Life Insurance Ai Zhen Xin Critical Illness Whole Life Health Insurance (Type A)
	Mercuries Life Insurance Ai Zhen Xin Critical Illness Whole Life Health Insurance (Type B)
	Mercuries Life Insurance Mei Li Chang Cun USD Variable Rate Enhanced Lifetime Insurance (Periodic Payment Type)
	Mercuries Life Insurance Yi Duo Li USD Variable Rate Enhanced Lifetime Insurance (Periodic Payment Type)
	Mercuries Life Insurance Yi An Xiang Specific Critical Illness Term Health Insurance
	Mercuries Life Insurance Yi An Xin Specific Critical Illness Term Health Insurance
	Mercuries Life Insurance Yi An Wen Specific Critical Illness Term Health Insurance
	Mercuries Life Insurance Xiang You Li USD Interest-rate-linked Annuity Insurance (Type A)
	Mercuries Life Insurance Xin Xiang Ping An Term Accident Insurance
	Mercuries Life Insurance Zeng An Kang Cancer Whole Life Health Insurance
	Mercuries Life Insurance Bao Fu Li USD Interest-rate-linked Whole Life Insurance (Periodic Benefit Type)
	2026
Mercuries Life Insurance Jin Duo Xin USD Endowment Insurance (Periodic Benefit Type)	
Mercuries Life Insurance Zeng Kang Tai Cancer Whole Life Health Insurance Rider	
Mercuries Life Insurance Ji Mei Cheng Tai USD Endowment Insurance (Periodic Benefit Type)	

c. Pharmaceuticals

A. Research and development

In 2025, the R&D team continued to invest in CDMO services and proprietary product development amid a challenging environment, building momentum for the Company's transformation. On the CDMO side, the intermediate for an immunotherapy new drug, Project A, has been accelerated into mass production. The narcolepsy drug, Project X, and the cancer drug intermediate, Project N, are also progressing as planned, demonstrating the Company's mature manufacturing capabilities.

In terms of proprietary products, the radiopharmaceutical, Project B, has successfully overcome technical barriers and adopted a proprietary process to circumvent patent restrictions, and is currently undergoing global patent portfolio development. Meanwhile, to strengthen cost competitiveness, the manufacturing processes for Adenine and BISO-FA have been optimized. Newly introduced iron sucrose and an ADHD drug intermediate are expected to begin validation in the first quarter of 2026. Through these tangible technological upgrades, the Company aims to enhance supply chain resilience and drive a return to a sustainable growth trajectory.

As countries begin imposing carbon fees and tariffs, R&D teams continue to optimize existing product processes, such as Pentobarbital, to enhance energy efficiency and waste reduction. Additionally, previously developed and highly regarded glaucoma drugs Brinzolamide and Cannabidiol (CBD) are steadily scaling up production, with the R&D department assisting in identifying and

resolving process issues. Meanwhile, development continues on the PGA downstream API Benserazide to expand the product line.

Since 2023, through the subsidiary Honeybear Biosciences, the Company has entered the antibody-drug conjugate (ADC) field, currently supplying the chemical linker UDP-Glc-NAz. Following tests to identify more effective small-molecule drugs (Payload), production scale-up will proceed.

B. R&D goals

① Establish self-developed technologies to create entry barriers and enhance competitiveness.

Self-developed technologies mostly take a form of trade secrets. Considering business strategies, SCI Pharmtech, Inc. applies for patents on some technologies.

Existing patents are as follows:

No.	Product Name	Patent No.	Country	Patent Period
1	(s)-MMAA	US 7,829,731 B2	USA	2020/11/09~2028/08/14
2	Duloxetine	EP 2,228,372 B1	European Union	2022/02/29~2030/03/10 Exit UPC(2023/06/27) Give up maintenance (2025/03/10)
3	Duloxetine	US 8,148,549 B2	USA	2013/04/03~2030/05/06
4	(S)-MMAA	US 8,168,805 B2	USA	2012/05/01~2030/01/13
5	Baclofen	US 8,273,917 B2	USA	2012/09/25~2031/01/27
6	Atomoxetine	US 8,299,305 B2	USA	2012/10/30~2030/12/16
7	Duloxetine	JP 5,143,167 B2	Japan	2010/3/11~2030/03/11
8	(S)-MMAA	US 8,420,832 B2	USA	2013/04/16~2027/10/29
9	Di-VANa	US 8,729,300 B2	USA	2014/05/20~2030/05/14
10	Duloxetine	US 8,530,674 B2	USA	2013/09/10~2031/06/02
11	Duloxetine	US 8,614,336 B2	USA	2013/12/24~2031/10/16
12	Duloxetine	EP 2,386,549 B1	European Union	2014/03/19~2030/05/10 Exit U P C (2 0 2 3 / 6 / 2 7)
13	Duloxetine	US 8,957,227 B2	USA	2015/02/17~2030/05/05
14	Duloxetine	JP 5,830,245 B2	Japan	2015/10/30~2031/01/04
15	PR-038	US 9,718,765 B1	USA	2017/08/01~2036/06/21 Give up maintenance (2025/02/01)
16	PR-038	EP 3,260,442 B1	European Union	2019/05/01~2037/06/21 Give up maintenance (2021/02/01)
17	MARAVIROC	US 10,556,899 B2	USA	2020/02/11~2038/02/09
18	CANNABIDIOL	US10,981,849 B1	USA	2021/04/20~2040/02/20
19	CANNABIDIOL	1,738,586	ROC	2021/09/01~2040/12/10
20	CANNABIDIOL	JP 6984054 B2	Japan	2021/11/26~2041/02/10
21	PMDOL	1828123	ROC	2022/04/25~2042/04/24
22	PMDOL	EP 4144717	European Union	2022/03/31~2042/03/31
23	CANNABIDIOL	EP 3,868,736 B1	European Union	2021/11/30~2040/2/21 Exit UPC(2023/07/07)
24	PMDOL	JP 7,367,147 B2	Japan	2023/10/13~2042/08/15
25	CANNABIDIOL	CA 3093271 C	Canada	2022/11/30~2040/09/16
26	(S)-MMAA		European	Dismissed
27	Lisdexamfetamine	US 11608312 B1	USA	2023/03/21~2041/11/10
28	Lisdexamfetamine	US 4122914 B1	European Union	2023/08/16~2041/07/22
29	PMDOL	US 11739050 B2	USA	2023/08/29~2041/10/08
30	Lisdexamfetamine	E4122924 B1	European Union	2021/7/22~2041/7/22
31	B Project	Applying	USA	Applying
32	B Project	Applying	China	Applying
33	B Project	Applying	European Union	Applying
34	B Project	Applying	Singapore	Applying
35	B Project	Applying	South Korea	Applying
36	B Project	Applying	Japan	Applying
37	B Project	Applying	ROC	Applying

- ②Respond to customers' questions and provide effective solutions quickly.
- ③Seek for R&D projects with potential and commercialize them efficiently.

C. R&D strategies

- ①Recruit experienced R&D personnel to improve the capacity for R&D.
- ②Seek for complementary partners to expand the R&D fields and strengthen cooperation.
- ③Cooperation with the new drug development companies to enter the development of pharmaceutical products in their early stage.

D. Key R&D projects

- ①Develop the manufacturing processes and technologies of niche products.
- ②Expand and commercialize manufacturing processes of new drugs under R&D.

E. Products successfully developed in the most recent year up to the date of publication of the Annual Report

Trial Production of New Product	Commercialized Mass Production of New Product	Improvement in Production Process
UDP-Glu-NAz CDMO-HMTM CDMO-A Project CDMO-N Project CDMO-X Project	Adenine	BISO-FA HOCLQ AL-1 Pimobendan Buprenorphine

d. Information services

Since the installation of the first automated crane in the Bank of Taiwan in 1978, it has been committed to developing the system sales and maintenance of integrated products and solutions such as the bank's automated equipment operation system and the branch counter terminal connection system. In addition to crossing the financial information field, the company has gradually entered the system integration and development of public utility systems such as telecommunications, transportation and education, and, in line with customer needs, has completed the development of application systems such as the servo main trading platform and decentralized mobile monitoring and management in the past 40 years. Whether it is bank automation equipment or system engineering integration, there are integration issues from various aspects, such as hardware, user interface, core system software, network architecture and information security. Therefore, the technical level of Mercuries Data System's business is highly complex and requires the ability to guarantee stable operation. As a result, the company's maintenance service team is distributed throughout the province, providing uninterrupted service 24 hours a day, 7 days a week.

The System R&D Department focuses on users' need during software development and continues to review market trends to determine the directions of future development. The products and systems completed or enhanced in 2025 and through Q1 of 2026 are as follows:

- (a) Teller cash recycler (TCR).
- (b) Passbook update machine.
- (c) Finger vein biometric identification system for tellers.
- (d) ATM AI intelligent alert function.
- (e) ATM automatic actuarial function (SR9501).

(4) Short-term & Long-term business development plans

A. Retail of daily commodities and food

a. Short-term plans

- (a) Use flexible and diversified marketing activities to stimulate consumers to visit the store for consumption.
- (b) Communicate with consumers about Simple Mart's selected products and latest promotions through social networking sites and media activities.
- (c) Increase the proportion of frozen and fresh food sales, build a granary in every alley, and become consumers' most trusted retail brand.
- (d) Continue cooperating with food delivery platforms to expand the scope of service businesses, attract new customers, and increase turnover.
- (e) Adjust the product categories and shelving frequency to meet the needs of consumers.
- (f) Conduct regular surveys according to consumer needs and track improvements.
- (g) Continue to renovate the store to provide a clean and bright shopping space and stock the required products.
- (h) Integrate the subsidiary Tomod's procurement and logistics operations to enhance overall supply chain efficiency and effectiveness.
- (i) Continuously optimizing the Simple Mart's app to provide consumers with an OMO integrated shopping experience.
- (j) Testing a new store format to increase the variety of directly imported and private-label products.
- (k) Introducing the exclusive wine shelf "Lane Cellars" to offer a diverse selection of alcoholic beverages.
- (l) Expanding the range of pet-related food and supplies products to capitalize on the business opportunities in the pet industry.
- (m) Developing a real-time inventory system to support flexible operational decision-making.
- (n) Continuously optimizing self-service systems and enhancing features of the Gourmet Card App to drive smart operations and increase customer loyalty.
- (o) Continuing to expand the number of brand stores nationwide to boost market share, leveraging economies of scale to increase operating revenue and enhance bargaining power with suppliers.

b. Long-term plans

- (a) Add neighborhood-based business depots, expand the economic scale, and substantially increase turnover. In addition, large-scale procurement can also increase the suppliers' bargaining power, strengthen commodity price competitiveness, and return profits to consumers. In addition to constructing its stores, the Company embraces the prospect of merging existing retail outlets for rapid scale expansion.
- (b) We also encourage outstanding employees to join us in addition to attracting partners who are interested in running retail businesses. We aim to accelerate store developments, improve each store's performance and operating efficiency, and create a win-win by increasing the proportion of franchisees.
- (c) In addition to selling domestic brand products familiar to consumers, we will introduce differentiated products such as private brands and imported products

from other channels to ensure price image and stable profit. The goal is to attract visitors, increase customer cohesion, and avoid price competition pitfalls.

- (d) We have improved the overall supply chain efficiency by introducing automated equipment and the logistics optimization system to reduce unnecessary loss and scrap. Invest in cold chain logistics and effectively control the quality of cold chain logistics.
- (e) We also introduced the pre-order, group purchase, Go Simple Mart, and OFFICE Mart E-commerce business APPs to supplement the physical stores, enhance membership cohesion, and achieve online and offline integration. The goal is to integrate the various digital tools to transcend the store area and size restrictions, create a shopping area that can meet the needs of consumers at any times and anywhere, and meet the various needs of consumers in life to become a virtual community shopping center. Moreover, the Company has also adjusted the membership system to enable members to create loyalty value for every dollar.
- (f) Strengthen personnel training, improve service quality and store operation capabilities, cultivate management executives, and reserve workforce for the enterprise's diversified development in the future.
- (g) Improving central kitchen production efficiency and expanding product offerings to mitigate cost pressures from inflation.
- (h) Continuously identifying new products and developing new brands while adjusting product structures to improve profitability and diversify risks.
- (i) Strengthening customer relationship management to enhance satisfaction and loyalty.

B. Life insurance

a. Short-term plans

In addition to providing customers with comprehensive life insurance products and services, we are also committed to meeting their diverse protection and financial needs, while staying abreast of market trends. In response to market demand, we will discuss with the marketing department and continue to develop supplementary products for regular guarantee-type products and investment-type products. For example, we will develop regular guarantee-type products (health insurance, accident insurance, life insurance) that meet customer needs, as well as develop regular guarantee-type products suitable for attachment to investment-type products. We will also enhance the competitiveness of our products and examine the leading products in the industry in order to design products that can increase mortality and expense differentials. For instance, we will continue to promote the sale of health insurance with the feature of walking exercise, and continuously develop different types of spill-over policies. We will also continue to expand the applicable product categories (such as life insurance). We will conduct research on retirement products that are popular among competitors to provide products that meet customer needs. We will design products suitable for new sales agents to help them explore the market. Additionally, we will regularly track the transformation of major competitors' product strategies under IFRS17 and ICS through conferences, news, and public information. Furthermore, the Company will evaluate the development of "blue ocean" products, such as index-linked products FIA/IUL, and promote USD-denominated interest-rate-linked life insurance products to

improve currency mismatch and optimize capital management structure. Lastly, the Company will maintain regular discussions with bancassurance units to research and design differentiated products that meet bancassurance channel needs, thereby expanding business in the bancassurance segment.

b. Long-term plans

In response to government policies and market needs, the Company will continue to develop new products, including foreign currency policies, accident insurance, medical insurance, and investment-linked insurance/annuity insurance, and promote products with strategic value or high contribution; in addition, the Company will employ 3 primary sales channels, namely sales representatives, banks, and diverse marketing, to improve the competitiveness and performance of marketing channels when pursuing the business objective of steady and sustainable growth. As cloud technology becomes more prevalent, the Company will actively develop digital and cloud-based services for building a highly efficient organization armed with marketing tools to generate higher levels of effectiveness and competitive advantages.

C. Pharmaceuticals

a. Short-term plans

- (a) Plan production schedules based on customer orders.
- (b) Maintain good relations with the existing customer base and actively develop new customers to increase each product's growth momentum.
- (c) Completed the construction of Guanyin factory and improved production capacity utilization.

b. Mid-term plan

- (a) Continue to introduce more intermediates and APIs and reinforce the development of APIs because APIs have high entry barriers and are subject to stringent regulations so that further development of the API market will increase the Company's competitiveness in the future.
- (b) Optimize the product lineup and eliminate products that contribute little.
- (c) Optimize the production process, lower costs, and increase competitiveness.
- (d) Optimize production scheduling and reduce production line replacement items' maintenance costs.
- (e) Promoting a circular economy to reduce the environmental impact of operations while lowering operating costs and boosting competitiveness.

c. Long-term plans

- (a) Develop and secure new businesses related to new drugs, capturing business opportunities from the early stage of development.
- (b) Develop new production capacities while growing the business and introduce the latest technologies and equipment.
- (c) Continue to improve and refine the production process and secure patents on those for niche products to improve production efficiency.
- (d) Cultivate talents with global perspectives for the Company's future growth.

D. Information services

Business Development	Short-term Plans	Mid-term and Long-term Plans
Customer Aspect	<ul style="list-style-type: none"> ⊙ Carefully screen for first rate customers and major projects. ⊙ Provide customers with solutions and support package requirements to improve customer satisfaction. 	<ul style="list-style-type: none"> ⊙ Continue to develop and manage Major Accounts. ⊙ Setup customer-oriented and customized systems to establish a comprehensive system database.
Product Aspect	<ul style="list-style-type: none"> ⊙ Expand distribution rights for product categories. ⊙ Reduce costs and strengthen risk control to foster competitiveness. ⊙ Improve the executive ability for various products. ⊙ Improve core competitive advantages of quality, date of delivery, and cost. ⊙ Include international goods to provide products with competitive pricing. 	<ul style="list-style-type: none"> ⊙ Improve the proportion of domestically produced parts for ATMs. ⊙ Promote core products and core services to provide better professionalism and added value. ⊙ Improve R&D standards and capabilities to support new product development. ⊙ Provide a diverse selection of cloud applications and services. ⊙ Continue to expand and develop new business models to create product differentiation and value.
Market Aspect	<ul style="list-style-type: none"> ⊙ Current performance and lessons of success shall be replicated for other customers with similar requirements. ⊙ Improve technical exchanges with other companies to promote technological development, product applications, and satisfy market requirements. ⊙ Actively support new product development to expand upon the existing scope of business. ⊙ Actively participate in international exhibits to gain familiarity over the latest developments and trends of the market. 	<ul style="list-style-type: none"> ⊙ Identify long-term strategic partnerships with domestic and overseas companies to access market resources on information and technology. ⊙ Form strategic alliances with both competing and non-competing companies to improve profitability of core businesses. ⊙ Promote competitiveness in response to globalization and to promote strategic alliances with local and overseas companies. ⊙ Establish cross-Strait work specialization and continue to expand the overseas market.

2. Market and sales overview

(1) Market analysis

A. Areas of sales (provision) of primary products (services):

a. Retail of daily commodities and food

The scope of business includes the sale of daily commodities, food, Cosmetics industry, Pet food and supplies industry, shoes, alcohols, tobacco, catering, furniture, and kitchenware.

Sales Performance (by Region) in 2025

Unit: Thousand NT\$

Region	Retail of Daily Commodities and Food	(%)
Taipei, Keelung, Yilan, and Hualien	11,971,798	45.40%
Taoyuan, Hsinchu, and Miaoli	4,852,871	18.40%
Taichung, Changhua, and Nantou	4,027,359	15.27%
Yunlin, Chiayi, and Tainan	2,217,750	8.41%
Kaoshiung and Pingtung	2,636,910	10.00%
Overseas	14,642	0.06%
Subtotal	25,721,330	97.54%
Other Income	649,979	2.46%
Total	26,371,309	100%

b. Life insurance

Headquartered in Taipei City's Neihu District, the Company operates 5 branches across Taiwan in Taipei, Taichung, Chiayi, Tainan, and Kaohsiung, as well as 2 service centers in Zhongli and Changhua, with services covering the entire country. It will continue to deepen its presence in Taiwan's insurance market. Listed on December 18, 2012, it primarily offers protection-oriented and investment-linked products. With a high-quality, high-performance sales team and an exceptional administrative team, it consistently delivers comprehensive products and innovative services, creating long-term value for policyholders, shareholders, and employees while contributing to society and the nation.

A stable and professionally capable sales force is a key foundation of the Company's operations. As of the end of December 2025, the Company had a total of 8,462 sales representatives. The overall sales force demonstrates high productivity and strong competitiveness, particularly in the central and southern Taiwan markets.

To strengthen regional operations and organizational capabilities, the Company established the Taoyuan–Hsinchu regional division in November 2011, followed by the Chiayi and Tainan regional divisions in August 2016, in order to enhance local market effectiveness. At the same time, through promotion mechanisms, performance evaluations, and incentive schemes, the Company supports the professional development and overall productivity of its sales personnel. Systematic training programs are also continuously implemented to improve workforce quality.

As of the end of December 2025, nearly 90% of the Company's sales representatives have obtained the required licenses for selling investment-linked insurance products in accordance with regulatory requirements. In addition, the Company actively assists its sales personnel in obtaining professional certifications such as AFP, CFP, and RFA, with the aim of continuously building a professional, stable, and highly competitive sales team.

c. Pharmaceuticals

Sales Performance (by Region) of SCI Pharmtech, Inc.

Unit: Thousand NT\$

Year		2024		2025	
		Sales	(%)	Sales	(%)
Business Areas					
Export	Europe	936,951	61.49	614,782	45.75
	Americas	212,603	13.95	240,865	17.93
	Asia	190,638	12.51	331,636	24.68
	Others	39,016	2.56	43,477	3.24
	Subtotal	1,379,208	90.51	1,230,760	91.60
Domestic Sales		144,530	9.49	112,960	8.40
Total		1,523,738	100	1,343,720	100

d. Information services

The product sales in the 3 most recent years were primarily achieved in the domestic market. In 2025, domestic sales revenue accounted for 98.93% of total operating revenue, while export revenue accounted for 1.07%, largely from Mainland China and Southeast Asia. If sales regions were defined using product categories, then sales and services of automated financial services and system integration would be scattered throughout the entire country. Major clients include banks, government agencies, public and private enterprises throughout the country, and other sales systems.

B. Market share

a. Retail of daily commodities and food

According to data from the Ministry of Economic Affairs' Department of Statistics, cumulative retail turnover in 2025 for textiles and apparel, supermarkets, convenience stores, pharmaceuticals and medical supplies, cosmetics, household appliances and goods, other specialty retail, and food and beverage retail reached NT\$343.8 billion, NT\$270.8 billion, NT\$442 billion, NT\$216 billion, NT\$228.8 billion, NT\$82.2 billion, and NT\$1.0674 trillion, respectively, totaling NT\$2.651 trillion. Consumer goods and food and beverage retail income in 2025 was NT\$26.4 billion, representing a market share of approximately 1%.

b. Life insurance

The Taiwan Insurance Institute's statistics concerning the market shares of domestic life insurance companies' premium incomes showed the Company's market shares in the last two years as follows:

Premium Income and Market Share of Local Insurance Companies

Unit: NT\$100 Million

Year	Total premium income for the life insurance industry	Premium Income	Market share(%)
2024	24,402	1,100	4.51
2025	26,240	1,102	4.20

c. Pharmaceuticals

(a) The world's leading manufacturers are BZA, ProbucoI, PF, HCI, PEB.Na, PGA, VA, NaVA, Di-VNa and HOCLQ.

(b) The Company is a small number of producers of intermediates for controlled drugs, such as Pent-2, NBE, S-2, AL-1, and EPMA.

(c) Due to limited information, it is difficult to estimate market share of other products.

d. Information services

Statistics from the Banking Bureau of the Financial Supervisory Commission, Executive Yuan, showed that there are currently 33,420 ATMs in Taiwan. ATMs provided by MDS account for 52%, making MDS the primary supplier of ATMs in the market. System integration and maintenance services vary significantly by industry, nature, or product type, making it difficult to define a clear market scope or market share.

C. State and growth of market supply and demand

a. Retail of daily commodities and food

The core brand Simple Mart primarily engages in the retail of tobacco, alcohol, and food products, with turnover split roughly equally between household and

individual demand. With recent price increases, consumers are expected to cook more at home, driving continued growth in retail business tied to household demand. Furthermore, convenience stores have continued to expand in recent years. In the future, beyond opening new locations in developing metropolitan areas, traditional individually operated grocery stores are expected to transition into chain store formats, benefiting smaller-scale chain supermarkets like Simple Mart and convenience stores in their store expansion.

In addition, the Company has integrated the resources of its own brands Simple Mart, Simple Mart Plus, and Happy Pet to capture the rapidly growing "cat economy" market. As of the end of 2025, Simple Mart had established pet shelf sections in a total of 126 stores, offering daily necessities, snacks, canned food, and other items needed by pets. In 2026, Simple Mart has continued to roll out dedicated shelves and introduced exclusive products previously sold only by Happy Pet, thereby enhancing integration synergies and advancing its goal of making Simple Mart a convenient one-stop destination for meeting the essential needs of cat owners, further expanding its pet retail ecosystem.

As the economy grows and industries evolve, the population dining out has surged, creating significant opportunities in the catering market. The primary customers of fast-food chains are office workers. Western and Asian fast-food brands, including McDonald's, KFC, Pizza Hut, Mos Burger, Yoshinoya, and Formosa Chang, face competition from a growing number of international cuisine providers, such as Japanese ramen, tonkatsu, Vietnamese, and Thai restaurants. Additionally, convenience store chains like 7-Eleven and FamilyMart, which offer seating and fresh food, have emerged as competitors. The rise of takeout and delivery services, combined with e-commerce marketing models, along with increasing transportation and labor costs, has significantly impacted the pricing structure of the catering industry, intensifying market competition.

b. Life insurance

Year	2021	2022	2023	2024	2025
Population (1,000 people)	23,468	23,265	23,420	23,396	23,280
National Income (NT\$ Million)	18,806,943	19,372,225	19,937,565	22,068,751	24,528,467
Number of Effective Contracts (in Thousand)	61,900	61,904	61,721	61,469	61,323
Coverage of Effective Contracts (NT\$ Million)	52,196,193	52,929,660	53,941,117	55,834,822	56,628,540
Total Premium Income (NT\$ Million)	2,971,092	2,334,389	2,187,947	2,440,153	2,623,943
Insurance Coverage (Note)	263.76%	266.08%	263.54%	262.73%	263.41%
Prevalence (Note)	277.54%	273.22%	270.55%	253.00%	230.87%
Premium as a Proportion of National Income	15.80%	12.05%	10.97%	11.06%	10.70%
Economic Growth	6.53%	2.45%	1.31%	4.59%	8.68%

Source:

Population, national income, and economic growth: Directorate-General of Budget, Accounting and Statistics (DGBAS) of the Executive Yuan. Information as of March 7, 2025.

Number and coverage of effective contracts, and total premium income: Taiwan Insurance Institute (TII).

Note: Number and coverage of effective contracts: Only life insurance and annuity insurance were included.

Insurance coverage: Number of effective contracts (only including life insurance and annuity insurance) / Population.

Prevalence: Coverage of effective contracts (only including life insurance and annuity insurance) / National Income.

According to the above table, it can be seen that in terms of growth, the insurance coverage rate in 2025 increased slightly compared to 2024. It is necessary to continue observing the trend of insurance demand among the population. In addition to traditional products, new investment-linked insurance products as well as principal guaranteed

products were constantly developed to supply market demands. The aging population and changing demographics will also lead to a gradual and inevitable increase for medical insurance and home care insurance products. Designing first-rate insurance products whenever appropriate will benefit both the insured and the life insurance companies.

c. Pharmaceuticals

Overall demand for pharmaceuticals will continue to grow given the medical advances and increasing population in emerging countries as well as aging populations and rising medical expenses in developed countries. The compound annual growth rate is estimated at 5% to 8% from 2025 to 2029, and the scale of the global pharmaceutical market is estimated to reach US\$2.36 trillion in 2029. Currently, the biggest market remains North America. API are active chemical components with pharmacological action, and the chemical structure must conform to the pharmacopoeia. Pharmaceuticals are basically composed of APIs and excipients. Operational strategies for this year as well as short-term and mid-term business plans of SCI Pharmtech focus on APIs, key intermediates, and other middle and upstream products of the pharmaceutical industry. SCI Pharmtech will optimize product portfolio, develop new products, expand customer base, and develop extensive partnerships in order to reduce the impact of business fluctuations, achieve better profitability, and improve its position within the sector.

d. Information services

With the rapid development of technology, financial automation equipment has evolved from the past CD, ADM, ATM to RATM, which has greatly met customers' needs for deposit and withdrawal and improved the efficiency of banks' capital operation and management; therefore, the old ATMs that banks need to replace every year and the market demand for new ATMs for locations newly established every year will continue to increase. Furthermore, with the trend of streamlining and automation in domestic banks, the demand for automated equipment continues to increase. In response to this demand, Mercuries Data Systems has been continuously introducing updated and smarter financial equipment, such as biometric identity authentication systems, next-generation paperless smart terminal systems, STM, and TCR. They also assist banks in planning for the future appearance of branches, which is expected to drive another wave of growth.

With the government's efforts toward comprehensive information and actively improving convenient services, it is necessary to have a company like Mercuries Data Systems that can integrate complex software and hardware equipment, information security technology, and provide maintenance services 24/7 throughout the year. Therefore, in recent years, Mercuries Data Systems has been involved in the implementation or integration of large-scale systems in government agencies such as transportation, information and communication, national defense, and power sectors. Mercuries Data Systems has accumulated extensive expertise and technology in these fields, which will enable it to continue participating in the country's major information infrastructure projects and contribute to its limitless future development.

Market suppliers of automated teller machines include NCR, Diebold Nixdorf, OKI and Hyosyng, and our company, Hitachi. Mercuries Data Systems is the sole agent of Hitachi in Taiwan. With 45 years of experience in financial automation services, it is also the main driver behind Hitachi's equipment capturing over 50% market share in Taiwan. As a result, the two parties have a close collaboration and are continuously promoting the development of bank automation.

Participants in large-scale system integration projects not only require good engineering management skills and sound financial planning, but most importantly, they need to possess the Domain Knowhow required for the project. This expertise needs to be accumulated over the long term, resulting in a limited number of competent vendors in the market, with a growing trend towards consolidation. Mercuries Data Systems has extensive experience in large-scale system integration, primarily focusing on areas such as communication, microwave, rail, fire protection, and power. Due to years of dedicated effort, the company has accumulated a significant track record and expertise, resulting in very few competitors. Aiming for total solutions, we offer integrated services to major accounts and continue to grow in the business cycle of installation, warranty, and maintenance.

According to the latest statistics from the Financial Supervisory Commission, as of December 2025, the number of ATMs reached 33,420 across Taiwan, representing an 4% growth rate over the past five years and the highest density in the world. To meet the different needs of customers, banks unveiled ATMs with new and larger screens, along with their innovative financial services. Innovative devices for ATMs, including 19-inch multi-touch screens, enabled customers to operate ATMs like smart phones. Bigger than the former model (15-inch screen), this new model was user-friendly with streamlined operating procedures and enhanced ATM functions. It is anticipated that, in post-pandemic Taiwan, there likely will still be ample room for growth as we continue to innovate the ATM's functionality to secure the citizens' preference of using it.

In the field of information technology, system integration refers to the process of linking different information and communication system devices, along with their software and applications, together to form a unified system. The purpose is to make them functionally or physically appear as a single system. The former includes civil and electromechanical integration projects for the MRT and airports, while the latter includes integrated systems for intelligent solutions such as transportation tolling systems or integration systems for the financial, retail or manufacturing industries. With continued government and corporate investment in information technology infrastructure, as well as the development of trends in cloud services, big data and mobility in technology applications, the size of the market continues to grow steadily.

D. Positive and negative factors affecting competitive niches and long-term development, as well as response strategies

a. Retail of daily commodities and food

(a) Competitive niches

① Unlike other supermarkets or convenience stores, we have elected to sell supermarket specifications and pricing products within walking distance of convenience stores to suit the livelihood needs of neighborhoods. One of the Company's key operating elements is commodity selection positioning and business base expansion. The Company's stores are leased to ensure lower operating costs, and we can provide a comprehensive and convenient shopping environment through years of experience in store operations and product selections. Our thorough assessment and planning for business circles, market research, personnel training, target markets, etc., enable the Company to grasp the main consumer groups, create a stable performance, and solidify the market position. Our business model is between large supermarkets and small convenience store chains. We provide consumers with a convenient shopping experience by setting up shops near their homes and offering the goods they require for their livelihood at supermarket rates.

- ② The Company is positioned as a micro-supermarket with fewer commodity items and lower capital expenditures than other supermarkets in the peer industry. We aim to satisfy the community's shopping habits without opening 24 hours. Our moderate threshold for franchised stores also helps the Company to increase the franchise ratio, reduce the pressure of workforce shortage, and expand the business bases.
- ③ The development of stores is one of the keys to business success. All stores are rented, or set up within various market place, so the operating costs are lower. With years of experience and technology, the Company has evaluated and planned shopping districts, market survey, employee training, and target markets in detail to target consumers, achieve outstanding performance, and secure market presence. As the number of stores grows, the Company's procurement bargaining power strengthens, enabling it to offer customers higher-quality, cost-effective products and services.

(b) Positive Factors

- ① With rising health awareness, demand for home cooking continues to grow. Coupled with inflation reducing real personal income, consumers are becoming more cost-conscious, supporting the promotion and sales of affordable, high-quality products. The performances of communication and smart mobile devices have continued to improve and become more popular among people of all ages. Simple Mart's proximity to homes, combined with the fact that it primarily sells basic livelihood commodities, will absorb new business opportunities due to the preceding consuming habit changes and communication tool improvements. We will continue to provide products and services tailored to consumers' needs to achieve new market niches, such as expanding the categories of imported and private label products, increasing the sales of freshly brewed coffee outlets, and expanding package delivery and pickup services in the outlets. Frozen and fresh products are flexibly imported based on the characteristics of the business district. Consumer adhesion to Simple Mart is increased through continuous product and service optimizations, making Simple Mart the most trusted retail brand for consumers.
- ② Simple Marts are located in the hearts of neighborhoods and closer to home than other supermarkets or supermarkets. Since the end of 2021, Simple Mart has cooperated with Shopee Mall and officially entered the store-to-store package delivery and pickup services field. In addition to directly injecting package delivery and pick-up service fees into income, such services also attract young individuals who rarely purchase at Simple Mart. We will continue to match product promotions and expand different types of e-commerce platforms in the future to seize new online shopping business opportunities, become a new choice for sellers to ship products and consumers to pick up online shopping and complete the last milestone of e-commerce.
- ③ Our catering brands have developed brand awareness and consumer trust, through the current physical channels and online third-party platforms for purchasing and exposure, we are able to reach a more diverse range of consumers and achieve economies of scale, as well as a profitable business model with years of expertise.

(c) Negative factors

- ① Due to changes in labor laws, personnel costs continue to rise; in addition, talent recruitment and training are challenging, which affects the opening of new stores.
- ② High homogeneity and replaceable of products have led to intense competition between different companies.
- ③ In the food and beverage retail sector, the rise of delivery services has significantly increased commission expenses. Changing labor conditions have driven up personnel costs, and recruitment and training challenges hinder new store openings. High operational costs (labor, rent, depreciation) make stores vulnerable to losses during economic downturns, market shifts, or worsening pandemics.

(d) Response strategies

- ① To address labor shortages, the Company continues to invest in recruitment advertising, partnerships with local colleges for internships or cooperative education programs, and participation in public and private recruitment events to attract suitable talent. Beyond resolving staffing issues, the Company is refining employee benefits, adjusting salaries, and using digital tools to enhance learning engagement and efficiency, aiming to improve retention rates. Simultaneously, elevating brand recognition helps shape Simple Mart's image among consumers and employees, supporting future talent acquisition.
- ② In 2024, a strategic partnership with E Ink Holdings Inc. and M2COMM was established, collaborating on electronic paper and system integration to introduce electronic shelf labels across all Simple Mart stores in Taiwan, addressing labor shortages, enhancing store staff operational efficiency, and advancing toward the goal of a fully low-carbon, paperless store environment.
- ③ Simple Mart continues to increase its franchise ratio to mitigate the impact of labor shortages on new store openings.
- ④ By introducing internationally recognized products and expanding service offerings, such as increasing frozen food and fresh produce categories, adding freshly brewed coffee sales, and offering parcel pickup and drop-off services, the Company drives higher store visit frequency and improves per-square-meter efficiency.
- ⑤ Through various marketing campaigns, the Company actively attracts new members and offers daily membership discounts to enhance loyalty, increasing member visit frequency and per-customer spending.
- ⑥ Beyond effective market segmentation, the Company focuses on improving service quality by adopting innovative approaches to create differentiation and add value. It carefully selects store locations, explores cost-reduction strategies, strengthens staff training, enhances employee benefits, and reduces turnover.

b. Life insurance

(a) Competitive niches

- ① Established brand awareness and benchmark for new life insurance companies
MLI is committed to offering a full range of products and services with its outstanding sales and administration teams, creating long-lasting value for

policyholders, shareholders, and employees, and contributing to society and national development. Continuous improvement is the core ethos of our company. At the 27th Faith, Hope & Love Awards of Insurance in 2025, hosted by the Modern Insurance Education Foundation, we were honored with 9 awards, including the “Best Social Responsibility Award”, the “Best Integrated Communication Award” and the “Best Insurance Achievement Award”. The National Brand Yushan Award, organized by the Republic of China National Enterprise Competitiveness Development Association, annually selects outstanding enterprises, products, popular brands, and business leaders based on rigorous standards. At the 22nd National Brand Yushan Award, “Mercuries Life Insurance Full Health Whole Life Medical Insurance” once again won the “Best High-Quality Product Award”, showcasing the Company’s exceptional performance in insurance product development and design. This recognition underscores our innovative and steadfast image, establishing us as a model for new life insurance companies.

② Goal of stable business growth and achievements

Stable growth and continuous profitability are the goals that the Company strives for. In 2025, MLI's new contract premium income was NT\$35.7 billion, total premium income was NT\$110.2 billion, disposable funds were NT\$1,384 billion, and total assets were NT\$1,659.3 billion. It is one of the top new life insurance companies whose total assets crossed over NT\$1 trillion in 2017 to become a trillion-dollar company.

③ Complete product lines to provide customers with complete protection

The Company continued to pursue innovative and complete insurance products and services, it was the first in the market to launch universal life insurance in 2005, the first Excellent Life Insurance policy in 2008, the first profit-taking mechanism for investment products in 2009, the industry's first RMB-denominated whole life insurance policy was launched in 2013. In addition, we have won the "Best Product Creativity Award" many times in the Insurance Trust, Hope and Love Awards from 2007 to 2011 and 2014 to 2024. Our products were also listed in the Smart Wealth Monthly and Modern Insurance, Health and Financial Management Magazine from 2015 to 2017 and 2020. This proves that we use innovative thinking to develop insurance products that meet market demand and aim to become the most valuable life insurance company.

(b) Positive factors

- ① Diversified marketing channels expand both the quantity and quality of customer exposure interfaces for life insurance products.
- ② Loosen restrictions for capital utilization among life insurance companies improve capital utilization rates and competitiveness of the life insurance companies.
- ③ Simplified review processes of insurance companies by the competent authorities will expedite the release of new products.
- ④ Growing demand for medical and healthcare products and services will lead to potentially high demands for medical insurance as well as home care insurance.
- ⑤ Release of new investment-type products will satisfy the requirements of the insured with varying degrees of risk tolerance.
- ⑥ The era of the Internet will lead to increases in digital sales and service requirements.

⑦ Issues caused by aging society and low birth rates will continue, the pension market will become a key focus, increased demand for elderly protection

(c) Negative factors

① Liberalization of fees has intensified competition among life insurance companies and increased the burden of operational expenses.

② The high premiums will lead to increased difficulty in marketing traditional life insurance products.

③ Competent authorities may establish increasingly stringent regulatory requirements for products.

(d) Response strategies

① Improve asset and liability coordination and management to reduce potential financial and sales risks.

② Promote diversification of sales channels and expand the sources of sales contact and interfaces.

③ Release a diverse and comprehensive selection of life insurance products so that the insured could acquire the needed protection within a single purchase.

④ Uphold the corporate culture and principle of "Commitment and Friendship for Life" to acquire the support of the insured.

c. Pharmaceuticals

(a) Competitive niches

① Professional R&D team

The R&D personnel specializes in chemical synthesis. SCI Pharmtech's R&D team is capable of timely developing the products within the stringent requirements as demanded by the customers, which helps the Company to innovate and capture business opportunities.

② Quality products

The quality of products must meet the requirements of health authorities and customers. As the business success and performance depends on the quality of products, the Company has strived to improve the quality management system and obtained ISO9001 verification in 2001. APIs and intermediates are produced based on the GMP standards, and products are reviewed and licensed by the Ministry of Health and Welfare, FDA of the U.S., EDQM in Europe, and health authorities in other countries. In 2025, 26 customers conducted audits and were satisfied with the auditing results.

③ Advanced production technology and equipment

The Company has laid a solid foundation for establishment of plants, such as API plants. Currently, the plant establishment team is able to add and expand production lines in the most efficient way at any time within the given time limit and cost. With more than 30 years of experience in production research and development, the Company has established operating technologies, such as alkylation, hydrogenation, condensation, Fridel-Crafts, Chapman, and Dieckmann reaction, and developed dozens of products. The solid foundation for technology is beneficial to the development of future business opportunities.

④ Adequate cost management

SCI Pharmtech has developed and refined process technologies to achieve

competitive costs and has patented some of the technologies in the US and Europe to gain competitive advantages in those markets. Assisted by a complete supply chain, SCI Pharmtech timely meets the customers' demands.

⑤ Marketing

Products were mainly exported to Europe, the U.S., Japan, India, and Taiwan. Over the past 30 years, the international business network has been established. The Company worked with international drug manufacturers to develop new drugs, which was highly beneficial to the future development of international markets.

(b) Positive factors

① Aging population and gradually increasing living standards

The world's population is moving toward aging society. Demand for various drugs will continue to increase as the population ages, providing API companies located upstream or mid-stream of the pharmaceutical supply chain with a growing market scale. More and more countries are placing greater importance on healthcare. Governments had enacted policies or legislation to lower and control drug prices and medical expenses, so as to improve the overall medical quality. Such policies and legislation will lead to increased demands for generic drugs. API developers would also continue to search for low cost solutions and collaborate with API producers that could achieve processing quality that complies with international standards. This measure would help future marketing and development efforts within SCI Pharmtech.

② Government focus and consultation

To enhance the quality of active pharmaceutical ingredient (API) supply, governments worldwide have tightened regulations. Both the United States and mainland China have implemented DMF and GMP requirements for APIs, significantly raising the barriers to entry for API manufacturing. Overall, global API manufacturers will inevitably face accelerated consolidation in the future, phasing out smaller firms lacking international competitiveness and leaving enterprises with superior manufacturing standards and economies of scale. Additionally, developing countries (Middle East and Southeast Asia) are implementing pharmaceutical policies to support domestic formulations, which is expected to benefit our API supply.

③ Friendly drug review environment of FDA

The FDA provides a supportive drug review environment, fostering the growth of the healthcare industry. With the U.S. FDA continuing to expedite drug approvals, the number of new drugs approved in 2024 reached as high as 50. Meanwhile, the U.S. Trade Agreements Act (TAA) mandates that the U.S. government procures only end products manufactured in the U.S. or designated countries. Taiwan is included in the positive list, indirectly restricting the procurement of APIs from China, India, and other production regions.

④ The United States government has proposed the "Biosafety Act."

The U.S. market is a key target for our company's expansion, and we cautiously view the "Biosafety Act" as an opportunity to deepen and expand our presence in the U.S. market over the long term.

(c) Negative factors

- ①The small scale of API companies in Taiwan and the limited capacity of the domestic market meant that the competitive niche offered in Taiwan could not compare to competitors from Mainland China or India. In addition, China and India have well-established supply chains and strong price competitiveness. In the current global environment of CDMO overcapacity, price competition has intensified.
- ②The API industry is also facing challenges including continuous upgrades of production equipment, increasingly stringent regulatory inspections and drug supervision, sharply rising development and manufacturing costs, intensified industry competition, ongoing product price erosion, and labor shortages driven by low birth rates. These factors have forced small and medium-sized enterprises lacking international competitiveness to exit the market.
- ③Large-molecule drugs (proteins, RNA/DNA) are becoming mainstream, reducing opportunities for traditional small-molecule drug development and compressing overall market sales value.
- ④Growing global political tensions have fueled scientific isolationism, adversely affecting research, medical collaboration, and mobility.
- ⑤The United States, in coordination with Israel, launched attacks on Iran, causing volatility in global financial and commodity markets. Oil and natural gas prices surged, and disruptions or shortages occurred in the supply of chemical materials.

(d) Response strategies

- ①Establish a quality system compliant to international quality standards and select products carefully to segregate the market.
- ②Work with the original drug developers to enter the patented drug market which offered greater profits.
- ③Recruit R&D talents around the world and solidify capability in R&D to meet customers' needs.
- ④The Company has set up a new business and introduced the advanced Veolia technology to purify and reuse the chemical solvents used in the pharmaceutical process, while promoting the development of a circular economy and reducing the impact of operations on the environment, so as to increase the Company's operating capacity while reducing operating costs.
- ⑤Continually evaluate the raw materials supply chain and establish alternative suppliers in different countries to avoid the risk of supply chain interruption.
- ⑥Emphasize the concept of automated and smart factories when planning for new production lines to increase production efficiency.
- ⑦Communicate with customers proactively and timely on the increase in selling prices to reflect the increase in production costs.

d. Information services

(a) Competitive niches

- ①A strong corporate image and reputation
Since the installation of the first automated crane in the Bank of Taiwan in 1978, it has been committed to developing the system sales and maintenance

of integrated products and solutions such as the bank's automated equipment operation system and the branch counter terminal connection system. In addition to crossing the financial information field, the Mercuries Data Systems has gradually entered the system integration and development of public utility systems such as telecommunications, transportation and education, and, in line with customer needs, has completed the development of application systems such as the servo main trading platform and decentralized mobile monitoring and management in the past 40 years. The Company has extensive technical foundations for the development of ATM software as well as technical competences required for independent design and manufacture of ATMs. These features allow this Company to fulfill the customers' standards and requirements for technical support, product functions, and operational reliability.

② Stable Agent Relationship with Suppliers

In the field of financial automation systems, we primarily represent HITACHI products, and Mercuries Data Systems is the sole agent for HITACHI's financial automation products in Taiwan. For more than forty years, the Company has made significant contributions to the advancement of financial automation. It holds a prominent leadership position in Taiwan's automated teller machines (ATMs) and financial terminal systems. Its ATM recyclers and passbook entry machines have consistently maintained the highest market share in Taiwan.

③ A diverse product portfolio

The information service industry market is becoming increasingly competitive. Traditional hardware and software sales are experiencing declining profits as competitors enter the market and share market share. To counter this, Mercuries Data Systems builds customer loyalty and trust by providing comprehensive solutions and excellent after-sales service. They drive IT product sales through their Total Solution professional services and lead the system integration business with their expertise. Mercuries Data Systems has obtained certifications such as ISO9001:2015, CMMI Level III, and ISO/IEC27001, internationally recognizing their quality control and execution capabilities. They have been recognized for their ability to deliver large systems integration projects.

④ Comprehensive Technical Service Team

Customers are looking for the means of improving efficiency and lowering costs, leading to a growing demands for system integration at increasingly larger scales. Many projects will involve installation throughout Taiwan. A comprehensive service network in various areas (including remote islands) will provide accessible and quick services and improve customer reliance and confidence.

⑤ Excellent Research and Development Team

To improve its software development capabilities, Mercuries Data Systems passed the re-certification for CMMI Level 3 software development capabilities. To standardize the engineering and management activities for computer software development for the Mercuries Data Systems, so that all

software development and maintenance are formulated and executed based on this standard, and during the process improvement, Mercuries Data Systems has integrated the process of investment in Mercuries Soft (Nanjing) Ltd. This integration also contributes to the joint development of software systems across the Taiwan Strait, reduces development time and cost, and enhances customer satisfaction, thus laying a good foundation for its software business in Greater China.

(b) Positive factors

① Competitiveness of Financial Technology Transformation

The replacement of manpower with automated equipment has become the primary strategy for banks to reduce costs, which in turn has increased the demand for automated equipment such as ATM machines and automatic passbook printers. The company has been committed to promoting the evolution of financial technology and accelerating the digital transformation of banks. It has not only introduced various new technologies and models, but also integrated multiple financial systems and automation services to create competitiveness in the financial market.

② System Integration Creating a New Generation

With experience in the planning, design, and implementation of software/hardware integration for national large-scale projects, the nature of government projects can be divided into communication RF, system integration, hardware sales and maintenance, electric power or radio waves, multimedia, etc. The projects cover the National Police Agency, Taiwan Railways Administration MOTC, Directorate General of Highways, National Fire Agency/Fire Department, Coast Guard Administration, and National Chung-Shan Institute of Science & Technology (NCSIST). The completion of the aforementioned large-scale integration projects also strengthens the track record of system integration by Mercuries Data Systems. Moreover, it can compete for subsequent maintenance under the most advantageous conditions, thereby increasing maintenance revenue and creating better profits.

(c) Negative factors

① Development of Electronic Payments and Online Banking

Due to the impact of the pandemic, in order to reduce the risk of infection and maintain a safe social distance, the proportion of mobile payments that can be completed without any physical medium has significantly increased. In addition, the maturity of digital financial technology has improved, driving the popularity and application speed of mobile payments and electronic payments in Taiwan in 2020. The amendment to The Act Governing Electronic Payment Institutions implemented in 2021 has given electronic payment providers a broader business development space and service flexibility, resulting in increasing attention and market competition intensity in the electronic payment industry.

② Long-term Planning for Large-scale Public Projects

System public works, regardless of pre-project preparation, bidding/contracting conditions, bidding evaluation methods, contract contents, negotiation strategies, and even award criteria, must be tailored to

each case. As projects become increasingly complex, long-term investment benefits are easily influenced by economic conditions, environmental regulations, and contractual conditions, deepening the unpredictability of risks. Moreover, due to the longer investment and recovery period, comprehensive financial planning is necessary to reduce financial pressure during the project period and ensure the return on investment.

(d) Response strategies

① Due to the ability of ATMs in convenience stores to replace the need to open branches and improve service quality, as well as the increased exposure of the bank's brand with each installed machine, which deepens customer loyalty and attracts more customers, the market share of financial automation machines has reached a considerable level. The Bank actively invests in online banking and the development of faster and more convenient banking service systems. It is also integrating certain online banking functions into CD/ATMs and continuing to develop differentiated products such as cash deposit machines, extended coin modules for ATM applications, card-less withdrawal using finger vein recognition, and foreign currency exchange machines. These efforts are aimed at enhancing industry competitiveness and seeking long-term cooperative relationships with customers, building mutual trust and fostering growth. In addition, in response to the trend of insufficient manpower in branches, we have introduced Teller Cash Recyclers (TCRs), automatic passbook printing machines, and developed a paperless branch terminal system with automated form filling. By simplifying the workload of branch staff and speeding up the operational process, the number of branch employees has been reduced, gradually moving toward the realm of fully unmanned branches. These applications also represent the transformation and development of Mercuries Data Systems in the post-pandemic era.

② Mercuries Data Systems Ltd. carefully selects and undertakes large-scale public works projects, primarily government contracts. These projects can be categorized into communication RF, system integration, hardware sales and maintenance, radar or radio waves, and multimedia. Through years of collaborative experience, we strengthen project management to constantly monitor project progress and control resources, ensuring timely delivery and quality to meet customer needs. We also require our partner vendors to provide a certain percentage of their sales amount, such as performance bonds and warranty bonds, to mitigate potential risks from the vendors. Furthermore, these engineering projects can generate new construction and optimization cases each year, creating subsequent high-margin maintenance revenue and related business opportunities.

(2) Major uses and production process of the primary products

A. Retail of daily commodities and food

Primary focuses include food services as well as retail sales of daily commodities and food products. In addition to the catering part, which has a central kitchen raw material processing capacity and increases the number of homemade products, all other products are considered finished goods that do not require further processing and therefore will not involve any production process.

B. Life insurance

a. Major uses of the primary products:

The first step was to plan for different types of insurance products. Clients facing potential life or financial risks could use these products to alleviate the burden or financial loss resulting from the said risks if they actually occur.

Type of Insurance	Product Description	Major Use or Function
Personal Life Insurance	A contract where payment is provided upon the death or survival of the insured.	Payments for insurance claims or mitigation of economic losses were provided for the death or survival of the insured.
Personal Health Insurance	A contract where payment is provided if the insured experience any financial loss resulting from disease or medical procedures.	Provide indemnities for the insured for any loss of income or medical expenses incurred as a result of disease or medical procedures.
Personal Accident Insurance	A contract where payment is provided if the insured is involved in an accidental injury that result in bodily harm.	Provide indemnities for the insured for any disability, death, loss of income, or medical expenses incurred as a result of accidental injury.
Personal Pension Insurance	A contract where payments at regular intervals are to be provided to the insured while he or she lives or during other specified periods.	The contract can be divided into the accumulation period and the annuity distribution period. The insured must provide payments during the accumulation period to build the value of the policy. The insured will then start to receive annuity payments (distribution period) after a certain number of years have passed or when the insured reaches a certain age. Such payments help to provide economic protection and quality of life of the insured (annuitant).
Investment Insurance	A contract where the insured invests in a valued investment fund or structural bond with the value of his or her insurance policy. Payments will be provided to the insured according to the contractual terms after the contractual period has been met or when an insurance peril has occurred.	Payments for insurance claims or mitigation of economic losses were provided for the death or survival of the insured. The amount covered will be affected by the performance of the investment made by the insured.
Group Insurance	A contract where a group was regarded as the insured in order to cover the personal safety of every member within the group.	This provides a fair and reasonable distribution of insurance payments and economic loss for members of any group that share common interests to provide economic protection and safeguard the quality of life of the insured.

b. Production process:

- (a)Initial ideas: The Product Development Consultation Committee (PDCC) would reflect gaps in the product portfolio or market trends of the Company to sales supervisors or their representatives in order to revise products currently being marketed or provide a reference for designing new products.
- (b)Evaluating the potential for commercialization: Initial ideas must thoroughly evaluate statutory regulations, product positioning, sales channels, profit analysis, actuarial studies, and re-insurances to determine the feasibility of creating a viable product based upon the idea.
- (c)Submitting results to the internal product evaluation task force meeting to finalize product details: Once product proposals have been finalized, they will be submitted to the internal product evaluation task force meeting for discussion. Necessary revisions would then be carried out to finalize the payment details, product characteristics, and name of the new insurance product.
- (d)Formulating contractual terms and description of the calculations: Contractual terms and calculation descriptions shall be formulated according to relevant laws and product designs, and must be reviewed and approved by qualified members of the actuarial, approval, security, claims, legal, and investment departments as part of the stringent product quality controls.

- (e) Product review and submission to the competent authorities for approval or filing:
The approved product must then be reviewed and ratified by the competent authorities before it may be marketed and sold. For use-and-file products, the product must be submitted to the competent authority for review within 15 working days after the product has been sold.
- (f) Preparation for sales: Before the new insurance product can be released, the sales departments (banking insurance department for banking insurance products, group insurance department for group insurance products, and diverse marketing department for products sold at airports, e-business, or telemarketing) shall hold a product management task force meeting. Meeting agenda will include a review of contractual problems and coordination of activities with various departments.
- (g) Sales preparations (applicable for investment-linked policies connected to overseas structured products): Before investment-linked policies connected to overseas structured product can be sold, a product review task force shall be responsible for holding and recording a product review meeting for the structured product according to the Review Standards for Overseas Structured Products stipulated by the Company. The distributor or general representative of the overseas structured product shall be notified after review and approval. If non-professional investors was commissioned or targeted for sales, the distributor or general representative shall provide a public announcement 2 business days before actual sales in compliance with the relevant regulations.

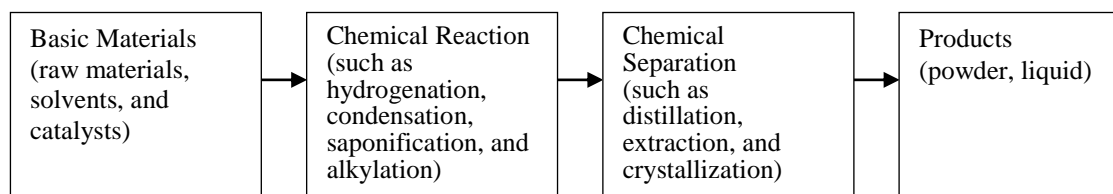
C. Pharmaceuticals

a. Major uses of the primary products:

	Name of Primary Product	Primary Purpose
APIs	VA Probucol Divalproate Sodium Propafenone Hydrochloride Duloxetine Hydrochloride Allopurinol Clindamycin palmitate HCl Articaine Hydrochloride HOCLQ-Sulfate Brinzolamide Sodium Valproate Pentobarbital Sodium Methylphenidate HCl Biso-FA Thiopental acid Loxoprofen Sodium Hydrate Atomoxetine HCl Cannabidiol Buprenorphine Adenine Pimobendan	Antiepileptic and anticonvulsant Antiatherosclerosis Antiepileptic and anticonvulsant Arrhythmia Anti-depression Gout Antibiotics Anesthetics Malaria, rheumatoid arthritis, and lupus erythematosus Glaucoma Antiepileptic and anticonvulsant Anesthetics Anti-ADHD High blood pressure and angina pectoris Anesthetics Heat-relieving pain relief ADHD Epilepsy and multiple sclerosis are rare in children Acute and Chronic Pain Leukopenia Heart failure(General medicine for humans and animals)
API Intermediate	Pent-2 PGA NBE 5-HMT BOV (S)-MMAA HOCLQ Prop-3 Thiazole acid Olivetol PMDOL	Anesthetics Antiparkinson medication Sleeping pills and anesthetics for surgical use Anti-AIDS Steroid Anti-depression Anti-malaria Heart rhythm disintegration Antitumor agent Antiepileptic Antiepileptic

b. Production process:

All these products were produced using chemicals available on the market as raw materials. Various chemical processing (such as hydrogenation, alcoholysis, esterification, saponification, and alkylation) were employed to create unrefined products which would then undergo purification (such as distillation, extraction, and crystallization) to create purified products of an acceptable grade. The following describes the production process:



D. Information services

Product Name	Primary Purpose
Automated Financial Services (ATM system)	Automation services for financial institutions such as deposits, withdrawals, printing of passbook entries, and transfers to improve customer service efficiency and quality.
System Integration Services	Provide customized software programming services to build a communication channel between the hardware and user and to provide specialized functions desired by the customer.
Maintenance and Repairs	Provide customers with user support and post-sales services for products sold by Mercuries Data Systems Ltd. (MDS).

Note: According to the industry categories of Taiwan Stock Exchange (TWSE), MDS is considered an IT service provider in this sector and therefore has no production process.

(3) Supply of primary raw materials:

A. Retail of daily commodities and food

There is no shortage in the supply of products in stores. Primary products are daily commodities that are highly interchangeable. The risk of shortage in supply may be reduced by looking for other sources of supply.

There is no shortage in the supply of raw materials for the food service sector (such as flour, meat, cheese, canned goods and frying oil, etc.).

B. Life insurance

Not applicable for the insurance sector.

C. Pharmaceuticals

Raw materials used by SCI Pharmtech are chemicals sold in the market without any risk of supply monopoly. The following table shows the supply of main materials:

Main Material	Name of the Main Supplier	State of Supply
Chemical raw materials	Company AA	Fair enough
Chemical raw materials	Company BB	Fair enough

D. Information services

Name	Main Source	State of Supply
Automated Financial Services, Automatic Teller System (ATM)	Import agent	Normal
System Integration Services	Import agent or local purchase	Normal
Maintenance and Repairs	Local purchase	Normal

(4) A list of any suppliers and customers accounting for 10 percent or more of the Company's total procurement (sales) in either of the 2 most recent fiscal years, the percentage of total procurement (sales), and an explanation of the reason for changes in these figures:

A. Retail of daily commodities and food

a. Primary customers

End consumers for the retail of daily commodities and food would be general customers. No single customer accounted for more than 10% of merchandise sales.

b. Primary goods supplier

Unit: Thousand NT\$

Item	2024				2025				As of Q1 2026			
	Name	Amount	Percentage of Net Purchase for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Current Year up to Q1 2026(%)	Relationship with the Issuer
1	Taiwan Tobacco and alcohol	1,410,322	8.80	None	Taiwan Tobacco and alcohol	1,417,383	8.64	None	Taiwan Tobacco and alcohol	306,766	5.67	None
2	Others	14,613,458	91.20		Others	14,988,661	91.36		Others	5,107,164	94.33	
	Net Purchase	16,023,780	100		Net Purchase	16,406,044	100		Net Purchase	5,413,930	100	

c. Reason for changes:

The Company operates as a retailer and distributor with extremely distributed purchasing. Given the popular sales of Taiwan Beer and tobacco products, net purchase of these products accounted for over 10% of total purchase throughout the year.

B. Life insurance

MLI has no applicable supplier for analysis. No premium income from any single policy holder accounted for over 10% of total annual premium income.

C. Pharmaceuticals

a. Primary customers

Unit: Thousand NT\$

Item	2024				2025				As of Q1 2026			
	Name	Amount	Percentage of Net Purchase for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Current Year up to Q1 2026(%)	Relationship with the Issuer
1	Customer C	274,726	18.03	None	Customer C	218,925	16.29	None	Customer C	67,547	17.97	None
2									Customer A	47,935	12.76	None
3									Customer B	40,101	10.67	None
4	Others	1,249,012	81.97		Others	1,124,795	83.71		Others	200,215	58.60	
	Net Sales	1,523,738	100		Net Sales	1,373,720	100		Net Sales	375,798	100	

Note: Where sales to the customer exceed 10% of the total sales value in the most recent 2 years, the name, sales value, and proportion of the said sales shall be disclosed. However, contractual terms dictate that the names of such customer or trading counterparty cannot be disclosed if the said customer or trading counterparty is an individual and unrelated party, and may be suitably replaced by codes.

b. Reason for changes: Customer A's BZA orders increased in the first quarter of 2026, while Customer B's orders from 2025 were delayed until the first quarter of 2026.

c. Primary goods supplier

Unit: Thousand NTS

2024					2025				As of Q1 2026			
Item	Name	Amount	Percentage of Net Purchase for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Current Year up to Q1 2026 (%)	Relationship with the Issuer
1	AA	139,777	30.07	None	AA	99,370	27.29	None	AA	26,740	38.75	None
2	BB	95,174	20.48	None	BB	68,829	18.90	None	BB	14,235	20.63	None
3	Others	229,843	49.45		Others	195,979	53.81		Others	28,026	40.62	
	Net Purchase	464,794	100		Net Purchase	464,794	100		Net Purchase	69,001	100	

Note: Where procurement acquired from a supplier exceed 10% of total net procurement for the most recent two years, the name of the said supplier, procurement value, and proportion of the procurement shall be disclosed. However, contractual terms dictate that the name of such a supplier or trading partner cannot be disclosed if the said supplier or trading partner is an individual and unrelated party, and codes may be used to replace the names instead.

d. Reason of change: Reason for change: None

D. Information services

List of Major Customers for the Most Recent Two Years

Unit: Thousand NTS

2024					2025				As of Q1 2026			
Item	Name	Amount	Percentage of Net Sales for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Sales for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Sales for the Current Year up to Q1 2026(%)	Relationship with the Issuer
1	Customer A	626,663	12.86	None	Customer A				Customer A			
2	Customer B	487,589	10.01	None	Customer B	1,934,128	29.63	None	Customer B	1,035,442	54.76	None
3	Others	3,759,098	77.13		Others	4,593,653	70.37		Others	855,351	45.25	
	Net Sales	4,873,350	100		Net Sales	6,527,781	100		Net Sales	1,890,793	100	

Reason for changes: Based upon business needs.

List of Major Suppliers in the Most Recent Two Years

Unit: Thousand NTS

2024					2025				As of Q1 2026			
Item	Name	Amount	Percentage of Net Purchase for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchase for the Current Year up to Q1 2026(%)	Relationship with the Issuer
1	Motorola Solutions Inc.	1,500,662	32.13	None	Motorola Solutions Inc.	444,090	12.53	None	Oracle TaiwanLLC, Taiwan Branch (U.S.A.)	301,681	24.55	None
2					Oracle TaiwanLLC, Taiwan Branch (U.S.A.)	429,830	12.13	None				
3					Hitachi Channel Solution, Corp.	419,631	11.84	None				
4	Others	3,169,647	67.87		Others	2,250,294	63.50		Others	927,105	75.45	
	Net Purchase	4,670,309	100		Net Purchase	3,543,845	100		Net Purchase	1,228,786	100	

Reason for changes: Based upon business needs.

3. Information of employees for the 2 most recent years

Major Invested Company	Year		2024	2025	(Note)
	Item				
Retail of Daily Commodities and Food	Number of Employees	General Employees	4,910	4,745	5,157
		Hourly Employees	6,144	5,981	6,276
		Total	11,054	10,726	11,433
	Average Age		32.19	33.25	33.67
	Average Years of Service		3.46	3.73	4.03
	Education Distribution (%)	PhD	0.03%	0.01%	0.01%
		Master	0.90%	0.91%	1.05%
		University/College	54.84%	54.41%	55.25%
		High School	41.42%	41.75%	40.88%
Below High School		2.81%	2.92%	2.81%	
Life Insurance	Number of Employees	Office Staff	1,802	1,826	1,820
		Field Staff	8,611	8,462	8,383
		Total	10,413	10,288	10,203
	Average Age		42.46	43.58	43.71
	Average Years of Service		13.07	13.57	13.69
	Education Distribution (%)	PhD	0.02%	0.03%	0.03%
		Master	8.57%	8.84%	9.04%
		University/College	71.57%	71.82%	71.79%
		High School	19.45%	18.84%	18.76%
Below High School		0.39%	0.37%	0.38%	
Pharmaceuticals	Number of Employees	Managerial Level or Above	14	13	13
		General Employees	257	255	257
		Total	271	268	270
	Average Age		42.47	43.42	43.59
	Average Years of Service		10.40	11.14	11.32
	Education Distribution (%)	PhD	2.95%	2.99%	2.96%
		Master	18.08%	17.16%	17.41%
		University/College	49.45%	48.88%	48.89%
		Senior or Vocational High School	12.92%	13.06%	12.96%
Below High School		16.60%	17.91%	17.78%	
Information Services	Number of Employees	Sales	97	99	95
		Hardware Services	388	418	417
		Software Services	255	249	247
		Administration	108	103	103
		Total	848	869	862
	Average Age		40.51	41.89	41.94
	Average Years of Service		9.76	10.86	11.12
	Education Distribution (%)	PhD	0%	0%	0%
		Master	8.06%	7.57%	7.27%
		University/College	86.76%	87.73%	88.02%
High School		3.15%	4.60%	4.61%	
Below High School		2.03%	0.10%	0.10%	

Note: For Life Insurance was acquired as of Feb. 28, 2026 ; for Pharmaceuticals, Retail of Daily Commodities & Food, Information Services, information was acquired as of March 31, 2026.

4. Environmental protection expenditure

In the most recent year and up to the printing date of this annual report, the losses incurred due to environmental pollution (including compensation and violation of environmental protection laws and regulations in environmental protection audit results; the date of penalty, the penalty official letter number, the provisions of the regulations, the content of the regulations, and the content of the penalty shall be specified) and the possible amounts estimated for the present and the future as well as response measures shall be disclosed. If it cannot be reasonably estimated, the reason that it cannot be reasonably estimated shall be specified.

A. Retail of daily commodities and food

a. The Company has environmental pollution concerns in retail of daily commodities; thus, no expenses was incurred in environmental protection. All wastewater, garbage, and air pollution generated have undergone anti-contamination treatments. A subcontracting fee amounting to NT\$12,381 thousand was paid to the service provider to handle wastes produced from business.

b. Losses incurred for environmental pollution:

Unit: NTD

Date	Penalty Fine No.	Regulation Violated	Description of the Violation	Disposition
2025/1/7	40-114-010003	Clause 2 ,Paragraph 2, Article 31 of the Waste Disposal Act	Failed to confirm online within four days of the removal from the factory as required.	A fine of NT\$6,000 was imposed and one hour environmental training.
2025/11/21	41-114-110802	Paragraph 2, Article 27 of the Waste Disposal Act	Failure to properly manage and clean up the site resulted in sewage pollution of the ditch.	A fine of NT\$2,400 was imposed.

c. Response/solution (including remedial measures) and potential costs:

To maintain store sanitation, the personnel involved have been required to conduct tighter inspections and regular cleanup of the premises and to have regular checkup on the wastewater and sewage flows, and contracts have been entered into with the waste disposal companies for regular waste removal services, so further citations for environmental pollution can be avoided.

B. Life insurance

a. The Company regards supply chain management as a key factor in achieving sustainable operations and has established and disclosed its “Supplier Management Policy” and related regulations. Environmental requirements are incorporated into the supplier selection and management mechanism. During the vendor selection stage, suppliers are reviewed based on established criteria, including legal establishment status, professional capabilities, experience, and relevant certifications required for the contracted services. At the same time, their performance in occupational safety, human rights protection, environmental protection, and ethical business conduct is assessed as an important basis for cooperation decisions.

b. Specifically, in the environmental dimension, suppliers are required to prioritize ecological protection, comply with environmental regulations, and minimize the environmental impact of their operations. In the social dimension, suppliers are required to comply with labor laws and occupational health and safety regulations, safeguard labor rights, care for employees, and respect human rights. In the governance dimension,

suppliers are required to adhere to principles of ethical business conduct and sign the “Integrity and Ethics Commitment” and “Declaration of No Conflict of Interest.” In cases of violations of evaluation principles or unethical conduct, the Company reserves the right to terminate the contractual relationship in accordance with contractual terms.

- c. In 2025, the Company selected 18 long-term partner suppliers from qualified vendors as priority partners. For stable suppliers, the Company has established a “Long-Term Supplier” system and conducts annual performance evaluations. In addition to service quality, contract fulfillment, and professionalism, ESG performance is also included in the assessment criteria. Through daily transactions and periodic evaluations, the Company ensures that suppliers continuously meet its standards. Any violation of evaluation principles or unethical behavior will result in contract termination in accordance with contractual provisions.
- d. In terms of green procurement, the Company replaces aging and energy-intensive equipment on an annual basis to reduce energy consumption, while prioritizing products with lower environmental impact and higher recyclability. The Company also continues to promote local procurement, which not only reduces energy use but also supports local economic development. In 2025, the proportion of procurement from local suppliers at major operating sites reached 100%. Green procurement expenditures totaled approximately NT\$16.15 million, covering a wide range of categories including IT equipment, energy-efficient devices, office equipment, and office consumables.
- e. In addition, in 2025, approximately NT\$2.79 million was invested in replacing aging air-conditioning systems. By improving energy efficiency, the upgrade is expected to save approximately 57,776 kWh of electricity per year, equivalent to a reduction of approximately 27.39 metric tons of CO_{2e} annually.

C. Pharmaceuticals

- a. SCI Pharmtech is a professional API manufacturer and focuses greatly on environmental protection. Waste reduction processing would be considered as early as the process development phase. All controlled chemical ingredients, unless required, would be avoided in order to reduce the potential sources of pollution. Disposal of any waste generated during production would be undertaken by processing equipment and professional personnel, or subcontracted to professional waste management agencies. The following describes the details of waste management:

- (a) Status on applications for setup permits for polluting facilities or pollution release permits

- (aa) Wastewater treatment

Part of the waste generated in the production process was processed by an in-house wastewater treatment system operated by specialty personnel, and once processed past the regulatory standard, the effluent would then be released to the water cycle outside the factory. SCI Pharmtech has obtained a wastewater/sewage release permit from the Taoyuan County government, numbered "Fu-Huan-Shui-Tzu No. 1140137481, Tao-Hsien-Huan-Pai-Hsu-Tzu No. H0558-08," effective from May 20, 2025, to May 19, 2030. SCI Pharmtech has also laid underground wastewater pipelines so that the wastewater would not contaminate the irrigation ditches for the farmlands.

(bb) Exhaust gas treatment

Fixed source of pollution	Permit No./ Valid date	Validity period
Pharmaceutical production/general production process M01	Fu-Huan-Kong-Tzu No.1130000585, permit number for operations: H6175-03	2024.1.4-2029.1.3
Boiler and steam generating processes M02	Fu-Huan-Kong-Tzu No.1140030497, permit number for operations: H4714-07	2025.2.14-2028.6.11
Pharmaceutical production/general production process M04	Fu-Huan-Kong-Tzu No.1130161698, permit number for operations: H7365-00	2024.6.13-2029.6.12

(cc) Waste solvent handling

- ①The Company has established solvent distillation and recycling towers in order to recover as much organic solvent as possible from the various processes for recycling and reuse. The treatment of un-recyclable waste was subcontracted to qualified and professional agencies.
- ②The Company has set up a new business and introduced the advanced Veolia technology to purify and reuse the chemical solvents used in the pharmaceutical process, while promoting the development of a circular economy and reducing the impact of operations on the environment, so as to increase the Company's operating capacity while reducing operating costs.

(dd) General waste

Treatment of general wastes produced during the production process was subcontracted to qualified professional agencies for regular handling.

(b)Payment of pollution prevention fees

In 2025, fees paid totaled NT\$5,410 thousand, the subcontracting processing expenses amounted to NT\$46.35 million, and the internal self-processing expenses amounted to NT\$33.12million.

(c)Conditions for setting up dedicated units for environmental protection

A total of 12 employees were assigned to the environmental protection department.

Item	Description
Air Pollution Control Specialists	Class A Air Pollution Control Specialist (85) EPA Training Permit No. FA090525 Class B Air Pollution Control Specialist (92) EPA Training Permit No. FB010012 Class B Air Pollution Control Specialist (98) EPA Training Permit No. FB080462
Wastewater And Sewage Treatment Specialists	Class A Wastewater And Sewage Treatment Specialist (85) EPA Training Permit No. GA120070 Class A Wastewater And Sewage Treatment Specialist (92) EPA Training Permit No. GA060315 Class A Wastewater And Sewage Treatment Specialist (94) EPA Training Permit No. GA060315 Class A Wastewater And Sewage Treatment Specialist (100) EPA Training Permit No. GA450783 Class A Wastewater And Sewage Treatment Specialist (112) EPA Training Permit No. GA010524 Class A Wastewater And Sewage Treatment Specialist (111) EPA Training Permit No. GA090449
Toxic Chemical Control Specialists	Class B Permit for the Professional and Technical Control of Toxic Chemicals (89) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. JB280970 Professional Technical Manager for Class A Toxic and Concerned Chemical Substances (2024) Environmental Department Certification No. JA030064 Class B Permit for the Professional and Technical Control of Toxic Chemicals (97) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. JB050199

Item	Description
Waste Processing Specialist	Class A Waste Disposal Technician (92) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. HA020737
	Class A Waste Disposal Technician (94) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. HA170156
	Class B Waste Disposal Technician (96) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. HB401707
	Class A Waste Disposal Technician (101) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. HA260997
	Class A Waste Disposal Technician (109) Huan-Shu-Hsun-Cheng-Tzu (EPA Training Permit) No. HA500397

b. Total losses (including fines) caused by environmental pollution for the most recent fiscal year up to the printing date of this annual report: None.

c. Possible disbursements for future responsive measures (including corrective measures):

(a) SCI Pharmtech attaches great importance to environmental protection and has invested no small efforts in the setup of pollution prevention facilities, employee training programs for improving awareness for environmental protection, active provision of on-job training, and development of waste reduction processes for the purposes of preventing environmental protection issues.

(b) SCI Pharmtech has made relevant preparations as the government established stronger controls for various sources of pollution. We are technically capable of fulfilling these requirements, and provided the needed budgetary allocations to setup relevant equipment.

(c) Environmental protection expenses have always been part of operational costs and were adequately reflected in product sales prices.

(d) Seek support from external research institutions and adopt advanced treatment equipment to improve waste treatment capabilities at lower costs.

(e) Use equipment that consumes clean energies to reduce the impact and effects upon the environmental and business aspect of the pollution.

(f) The Company has set up a new business and introduced the advanced Veolia technology to purify and reuse the chemical solvents used in the pharmaceutical process, while promoting the development of a circular economy and reducing the impact of operations on the environment, so as to increase the Company's operating capacity while reducing operating costs.

(g) Potential current and future losses: NT\$0.

d. Response to RoHS: Products are not affected by the Restrictions of Hazardous Substances Directive (RoHS) of the EU.

D. Information services

MDS engages in product testing, installation, and sales and would not generate any pollution or disrupt the ecological environment. Proper environmental protection has been enforced, resulting in zero pollution or pollution prevention issues. Products sold to Europe would not be within the scope of the RoHS regulations.

5. Labor relations

A. Employee benefits, continuing education, training, and retirement systems and the implementation situations, employer-employee agreements, and measures taken to safeguard employees' interests:

a. Each company have established the Employee Welfare Committee to stipulate adequate employee welfare plans as well as provision of bonuses for marriage, funerals, childbirth,

- and other personal celebrations. Each company also holds occasional tours, vacations, and various cultural and welfare events. Annual year-end bonuses and employee bonuses are released according to overall business performance.
- b. Each company should continue to promote preliminary training for newly hired staff and continuing training for employees to strengthen their professional competences and management skills. Actual requirements were reviewed to dispatch employees to attend professional training courses, so as to acquire the latest information. In 2025, the total number of pre-employment training sessions and internal and external training courses attended by the Group employees (including life insurance field staff) totaled 224,162 person-times, with external training expenditures amounting to approximately NT\$ 44.09 million. The number of life insurance personnel who received the employment examination assistance in 2025 was 204, the subsidy amount total was NT\$2,946 thousand.
 - c. Regulations governing employee retirement have been stipulated according to the Labor Standards Act. A fraction of the total monthly salary would be set aside for the retirement reserve fund. This sum would be deposited in the Department of Trusts of the Bank of Taiwan to gain interest, while retirement pensions would also be transferred to the employees' personal bank accounts on a monthly basis according to the Labor Pension Act.
 - d. Each company, as required, establishes an Occupational Safety and Health Committee, holding meetings every 3 months. Representatives from labor, management, and safety discuss workplace conditions in accordance with the occupational disaster management plan, conduct follow-up improvements, continuously enhance employee safety and workplace protections, care for employees' physical and mental health, uphold workplace gender equality, promote gender equality, and fulfill corporate social responsibilities. Each subsidiary also employed, as necessary, on-site specialty physicians to serve the employees. The nurses regularly scheduled employees, drivers, middle-aged or senior employees, employees with high cardiovascular risk or who were pregnant, and female employees within one year of giving birth, with priority given in the reverse order, for consultation. Employees could also request appointments for physical or mental health in-person consultations.
 - e. Each company has established the working rules, regulations for rewards and disciplinary actions, and regulations for sexual harassment prevention according to the regulations and needs to urge all employees to follow the business ethics and conduct. The life insurance business has also established the code of conduct and ethics to urge all employees to follow the business ethics and conduct.
 - f. Each company provides labor insurance and health insurance for employees according to the regulations and needs; in addition, group insurance, annuity insurance, and mortgages are also offered.
 - g. The Company publishes policies and communicates with employees openly, and convenes management and labor councils on schedule to maintain harmonious management-union relation; therefore, no labor dispute has ever occurred.
 - h. Implementation situations: In 2025, employee benefits, continuing education, training, and retirement systems were well implemented according to the regulations.
- B. In the most recent year and up to the printing date of this annual report, the losses incurred due to labor disputes (including violations of the Labor Standards Act in labor inspection results; the date of penalty, the penalty official letter number, the provisions of the regulations, the content of the regulations, and the content of the penalty shall be specified) and the possible amounts estimated for the present and the future as well as response measures shall be disclosed.

a. Retail of daily commodities and food

(a) Loss incurred as a result of labor disputes in the most recent year:

Disposition date	Disposition order number	Regulation violated	Description of the Violation	Disposition
2025.02.17	Fu-Lao-Jian-Zi No. 1140038406	Labor Standards Act Article 24, Paragraph 2; Article 32, Paragraph 2; Article 79, Paragraph 1, Subparagraph 1	Failure to pay wages for extended work hours on regular workdays as required	NT\$50,000 fine
2025.02.17	Fu-Lao-Jian-Zi No. 11400384061	Labor Standards Act Article 32, Paragraph 2; Article 79, Paragraph 1, Subparagraph 1	Employee Overtime Work	NT\$50,000 fine
2025.07.08	Taipei City Lao-Dong-Zi No. 11460755142	Labor Standards Act Article 24, Paragraph 1 and Article 32, Paragraph 6	Wages not paid in accordance with regulations	NT\$70,000 fine
2025.12.03	Ji-Fu-She-Guan-Er-Zi No. 1140256339 administrative penalty decision	Labor Standards Act Article 24, Paragraph 2 and Article 39,	Wages not paid in accordance with regulations	NT\$100,000 fine

(b) Potential current and future losses: Within NT\$100,000.

(c) Response measures: Managers are requested to inform employees that overtime and scheduling must follow relevant procedures to protect their work rights.

b. Life insurance

(a) Loss incurred as a result of labor disputes in the most recent year.

Unit: NT\$ thousand

Item	2025	As of the February 28 in 2026
(1) Labor disputes (cases)	10	5
(2) Incurred loss amount	32	538
(3) Estimated potential loss in the future	Note	35,656
(4) Response measures by the Company	Five labor disputes were settled, answers are being filed for five cases.	One labor disputes were settled, answers are being filed for four cases.

Note : The life insurance industry has contingent liabilities arising from legal disputes and claims in the ordinary course of business. As of December 31, 2025, there were 13 cases in the mediation stage or under court proceedings, and provisions for liabilities had been made. Among the above 13 cases, the major labor disputes between the company and its business supervisors are mainly (1) disputes over the determination of basic salary and (2) disputes over the determination of the insured's salary. These are currently pending final court judgments, and the potential amount of loss has not yet been reasonably estimated.

(b) Violation of the Labor Standards Act in labor inspection:

Wages are paid in full based on the agreed salary items and calculation methods in employment contracts. However, due to concerns over non-full wage payments caused by allowance adjustments, penalties were imposed. The allowance adjustment method was discontinued in September 2023 to comply with legal requirements, and no similar issues have resulted in penalties in 2024.

c. Pharmaceuticals

(a) Violation of the Labor Standards Act in labor inspection : None.

(b) The Company always attaches great importance to employee benefits, two-way communication, and compliance with relevant laws and regulations; therefore, the labor-management relations are quite harmonious. Since the incorporation of the Company, there has been no labor dispute resulting in any loss. In the future, the

Company will continue to improve labor-management communication and do its best to provide employee benefits properly to enhance the harmony of labor-management relations.

(c) Potential current and future losses: NT\$0.

(d) Response measures: N/A.

d. Information services

There was no loss incurred due to labor disputes; the Company will continue to take care of employees and share benefits, while fully communicating with employees in order to maintain the currently positive labor-management relations.

C. Employee personal safety, health, and workplace protection measures and their implementation:

Each company, as required, establishes an Occupational Safety and Health Committee to assess workplace risks for employees and develop effective measures to mitigate risks. In addition to passing regular public safety inspections annually, companies purchase public liability insurance and enhance group insurance for employees. Periodic health checkups are arranged for employees, and employee welfare committees provide benefits such as injury compensation. Implementation details are as follows:

a. SCI Pharmtech, Inc., Mercuries Data Systems Ltd., Simple Mart Retail Co., Ltd. (196 people; 6%), and Mercuries F&B Co., Ltd. have obtained ISO 45001 certification for their Occupational Health and Safety Management System. By selecting seed personnel to serve as safety and health representatives and enhancing employee safety awareness and capabilities through education and training, the Company ensures effective system operation through both internal and external audits.

b. Internal workplace safety and health education training for each company is as follows:

Company	Total Training Sessions/Attendees	Specialized Training Program	Certification Training
Mercuries Life Insurance Co., Ltd.	Mandatory occupational safety and health training for new employees; 25 first aid trainees	Regular occupational safety and health promotion; electronic newsletter dissemination	First Aid Personnel Training
Mercuries F&B Co., Ltd.	5,958 general training participants, 155 Class C trainees, and 104 first aid trainees	Multilingual training materials, illustrated SOPs, and a minimum test score of 80 required prior to assuming duties	Class C Occupational Safety and Health Supervisor, First Aid, Forklift Operation, and Hazardous Chemicals Certification
Simple Mart Retail Co., Ltd.	2,643 new hires, 2,630 current employees, and 180 emergency drill participants	Traffic safety lectures and emergency evacuation and fire extinguisher operation training course	Class C Occupational Safety and Health Supervisor and First Aid Personnel Training
Mercuries Data Systems Ltd.	69 new hires, 761 current employees, 16 occupational safety and health refresher trainees, 17 first aid refresher trainees, and 1 new fire safety manager trainee	Occupational safety and health awareness training and fire drills (2 sessions)	Refresher (Including New) Training for Personnel Responsible for Occupational Safety and Health Management, Fire Safety Management, and First Aid
SCI Pharmtech, Inc.	582 in-house training participants, 183 external training participants, 498 mandatory training participants	HAZOP analysis, process safety management (PSM), and chemical emergency response	24 First Aid Trainees and 327 Special Operations Certification Trainees
Mercuries & Associates, Ltd.	236 Class C trainees and 213 first aid trainees	Multilingual training materials, illustrated SOPs, and a minimum test score of 80 required prior to assuming duties	Class C Occupational Safety and Health Supervisor and First Aid Personnel
Mercuries Furniture Co., Ltd.	187 new hires, 317 current employees, 5 first aid refresher trainees, 2 Class C supervisor refresher trainees, 1 fire safety manager refresher trainee, and 2 forklift operators refresher trainees	Site safety education and training, fire drills, and information security and personal data courses	First Aid, Class C Business Supervisor, Fire Safety Manager and Forklift Operator Certification

- c. Safety and workplace protection measures for employees in stores, central kitchens, and logistics for daily necessities and catering retail industries are identified through hazard identification and risk assessment forms. Hardware: Emergency evacuation route maps are prominently displayed in work areas, and alarm systems, fire extinguishers, and escape equipment are installed. Disaster prevention measures include:
- (a) Smoking is strictly prohibited in indoor offices, electrical rooms, central kitchens, logistics warehouses, stores, or areas with hazardous materials, and open flames are not permitted without authorization.
 - (b) Fire and electrical equipment must be inspected before use to ensure no flammable materials are nearby. After use, they must be stored in appropriate safe locations.
 - (c) Safety doors must remain closed and unlocked to prevent fire spread, and no items should obstruct their closure.
 - (d) Emergency exits, corridors, stairwells, and safety doors must remain clear of items to avoid hindering evacuation.
- d. The Company and each subsidiary have promoted diverse health promotion activities in accordance with the characteristics of their respective industries, covering areas such as exercise promotion, mental health support, nutrition and wellness, and health lectures. Through club activities, health management programs, and professional consultation services, we encourage employees to establish healthy lifestyles. In 2025, the Group conducted more than 100 health promotion activities, with over 4,000 attendees. Some subsidiaries have also provided psychological counseling, stress management courses, and an Employee Assistance Program (EAP). A total of 141 counseling sessions were provided throughout the year, helping employees maintain good physical and mental well-being and enhancing overall workplace health culture.
- e. The Company and its subsidiaries, based on industry characteristics and relevant regulatory requirements, have continued to invest in occupational safety and health management, including improvements to safety equipment, health examinations, health promotion activities, and occupational safety and health education and training, in order to continuously enhance workplace safety and health management. Internal workplace safety and health education execution for each company in 2025 is as follows:

Unit:NT\$10 thousand

Company	Occupational safety and health equipment investment	Health check investment	Investment in health promotion (including on-site services provided by doctors and nurses)	Occupational safety education and training	Number of participants
Mercuries F&B Co., Ltd.	–	–	10.8	–	5,684
Simple Mart Retail Co., Ltd.	34.7	71	10.3	12.3	3,242
SCI Pharmtech, Inc.	78.7	36.5	31.1	42.2	249
Mercuries & Associates, Ltd.	–	33.6	10.8	78.2	1,290
Mercuries Furniture Co., Ltd.	0.9	–	10	12.8	317

- f. In alignment with the group’s sustainable operations plan, Simple Mart Retail Co., Ltd. held the Simple Mart Cup Charity Run on November 1, 2025, with a total of 1,345 participants.
- g. Occupational safety and health training in the life insurance industry is a mandatory course for new employees, with an emphasis on enhancing employees’ self-protection awareness. Although the industry is classified as a lower-risk Category III business, the Company continues to uphold high standards in maintaining the workplace environment. This includes conducting indoor air quality and lighting intensity inspections every six months, with all results exceeding regulatory standards; regular maintenance of drinking

- water facilities with periodic filter replacement, as well as quarterly water quality testing; fire safety equipment inspections and evacuation drills every six months to ensure employees are familiar with emergency response procedures; and daily cleaning of the workplace, with professional assessments confirming no biological, chemical, or noise hazards. In addition, the Company has installed AEDs and accessibility facilities and provides full-time security personnel. Employees are also encouraged to participate in first aid training, with a cumulative total of 25 employees having completed external training programs. Furthermore, safety responsibilities are extended not only to full-time employees but also to non-employee workers, such as cleaning contractors and security personnel. These individuals are included in the Company's safety training programs and are required to comply with all occupational safety and health regulations to ensure comprehensive implementation of workplace safety. In 2025, to enhance occupational safety and health, the Company implemented various improvement measures with a total investment exceeding NT\$6.33 million, equivalent to more than NT\$3,000 per employee.
- h. In terms of employee health promotion in the life insurance industry, the Company has occupational health service personnel who provide health consultations and hygiene guidance. In 2025, a total of 17 health seminars were conducted, benefiting 2,635 participants. In addition, on-site services provided by specialist physicians were offered, with priority given to employees in the IT data center, drivers, middle-aged and senior employees, as well as female employees who are pregnant or within one year postpartum. A total of 23 sessions were held during the year, with 333 participants. The Company also provides an on-site fitness facility to support employee health management and offers health examinations that exceed regulatory requirements. Occupational physicians analyze the results and provide recommendations, with continuous follow-up management for high-risk employees. In 2025, the number of employees classified in the third and fourth health risk levels decreased by 3% compared with 2024, showing an improving trend, and no work adjustment measures were deemed necessary. In terms of mental health, the Company conducts regular awareness campaigns, provides a complaint hotline, and promotes an Employee Assistance Program. In collaboration with the Hsinchu Lifeline Association, the Company offers unlimited psychological counseling services. In 2025, the Employee Assistance Program was used by 100 employees for telephone counseling in the first stage and 37 employees for face-to-face counseling in the second stage, with an investment of approximately NT\$480,000. For maternal health protection, the Company provides weekly nutritional supplements, such as fresh milk or soy milk, for pregnant and postpartum employees, along with a comprehensive lactation and breastfeeding-friendly environment. A total of 40 employees benefited from these measures in 2025.
- i. In addition, the life insurance industry regularly promotes occupational safety and health awareness through electronic newsletters. A total of 24 issues were published in 2025 to enhance employees' safety awareness. The Company has also established a health room equipped with basic medical supplies and health monitoring devices. In 2025, InBody was purchased to enable employees to independently monitor their basic health conditions and strengthen personal health management.
- j. The pharmaceutical industry is a chemical industry. In the manufacturing process, failure to follow standard operating procedures may cause employees' personal injury; therefore, the following measures are taken to safeguard the personal safety of employees:
- (a) Conduct preventive maintenance every month.

- (b) Carry out hazard awareness training for new employees.
 - (c) Write up SOPs and strictly require employees and contractors to follow.
 - (d) Require employees to wear protective devices, such as goggles, safety shoes, and safety helmets.
 - (e) Set up emergency rescue devices, such as eye wash devices and AED.
 - (f) Conduct industrial safety training every half a year.
 - (g) Promote environmental protection, safety, and health.
 - (h) Organize the employee health examination in the middle of every year and arrange special examinations for employees working in special operations.
 - (i) Hold an environmental safety meeting every two weeks to review deficiencies found in the environmental safety and health inspections.
 - (j) Organize a meeting of the Occupational Safety and Health Committee every quarter to assess the risks of occupational safety and health.
 - (k) Conduct the survey of musculoskeletal symptoms, personal overwork scale, and survey of violence and risk assessment every two years.
 - (l) Encourage employees to provide recommendations for improvement through the environmental feedback form.
 - (m) There were pedestrian passes laid out in each factory to separate pedestrians from vehicle traffic.
 - (n) Implementation status: In 2025, all the above-mentioned measures were taken in accordance with the regulations.
- k. Employee safety and health measures in the information services industry include:
- (a) Establish 4 major occupational health protection plans (maternal health protection, ergonomic hazard prevention, prevention of diseases caused by excessive workload, and protection from unlawful harm during duties), available on the Company intranet and publicly announced.
 - (b) A physician contracted under regulations to provide occupational health services conducts on-site health services at the company. One occupational health nurse is dedicated to managing employee health classification, consultations, and organizing health promotion activities, with a total of 144 health consultations and care sessions provided throughout the year.
 - (c) Long-term emphasis on employee workplace safety and health includes outsourcing workplace environmental monitoring twice annually at office premises and organizing employee health checkups every two years.
 - (d) During the year, general safety and health education training was conducted, with 861 employees trained. Occupational safety and health personnel, first-aid personnel, and others participated in mandatory on-the-job training as required.
 - (e) In accordance with occupational safety and health-related regulations and the guidance of the competent authorities, the Company passed the first ISO 45001 Occupational Health and Safety Management System certification by a third-party organization as scheduled in the first half of 2025 and obtained a qualified certificate. The certificate is valid from May 12, 2025, to May 12, 2028.
 - (f) Install blood pressure monitors in the office to help employees form the habit of self-managing their blood pressure.
 - (g) Send regular notifications regarding health education on the three highs and related health topics on a quarterly basis, providing diversified health information and enhancing employees' awareness of health and hygiene.

6. Information Security Management

A. Describe the information security management frameworks, policies, specific management plans, and resources invested in information security management.

a. Information security management structure:

To strengthen the information security management of our company and ensure the security of personal data, core systems, and networks, we have established the Information Security Office as a dedicated unit responsible for information security. This office includes a Chief Information Security Officer, a dedicated information security manager, and at least two information security officers, who are responsible for the planning and execution of information security affairs.

b. Information security management policy:

In order to maintain the normal and secure operation of our information systems, and to provide reliable information services, we ensure the confidentiality, integrity, availability, and legality of the information, as well as compliance with relevant regulations. We aim to reduce operational risks, protect information assets from internal and external threats, and maintain the security of data, systems, equipment, and networks. We align our information service objectives with our operational strategies, and assist in achieving these strategies based on the implementation of information security goals. This is to safeguard the interests of the company and ensure the sustainable operation of all information systems. The relevant policies are as follows:

- (a) Regularly assess relevant laws and regulations and operational requirements, conduct asset risk assessments, confirm information operation security requirements, establish standard operating procedures, and implement appropriate information security controls.
- (b) Regularly conduct information security audit operations to assess the implementation of the information security management system.
- (c) Establish an information security incident management process to ensure proper response, control, and handling of incidents.
- (d) Develop and regularly practice a business continuity plan to ensure the timely recovery of critical operations in the event of a disaster.
- (e) Employees receive information security education and training as well as awareness campaigns in accordance with regulations to enhance information security awareness.
- (f) Recognition should be given to personnel who have made significant contributions to the conduct of information and communications security operations.
- (g) Violations of this policy and related information security regulations will result in disciplinary action in accordance with the Company's disciplinary procedures, and violations of laws and regulations will result in civil and criminal liability in accordance with applicable laws.

c. Information Security Risk Management and Control Mechanism:

The Company has established the "Information Assets and Risk Assessment Management Guidelines" to inventory information assets, conduct risk assessments, and implement risk management for core business systems at risk. Regular vulnerability scanning, penetration testing, and other security reviews are conducted to identify and remediate vulnerabilities. Risk control and continuous improvement measures reduce the threat of intrusion by hacking groups and human error, ensuring a secure environment for the protection of consumers' personal data and sensitive business information.

d. Specific information security management plan

(a) Network Security Planning

- ①The computer network is designed as internal, DMZ, and external network segments separated by a firewall.
- ②The internal network segment is completely isolated from the outside world, and the external network segment is not permitted to directly access the internal network segment. Access to the internal network segment from the DMZ area network segment is restricted to a single point-to-point communication protocol (through the firewall) connection.
- ③The network segment of the DMZ area must clearly define the communication protocols (such as HTTP and FTP) that are permitted to be accessible to the Internet.
- ④Regularly review the records and files related to network security.
- ⑤Cybersecurity-related records must be able to track hacking evidence.
- ⑥Regularly review the network security control execution matters.

(b) Network Services Management

- ①Designate network system administrators to take charge of network management.
- ②Network system administrators are in charge of system security, system management tool configurations and operations, as well as system and data security and integrity.
- ③In case of a network security incident, the relevant network system management personnel must be notified immediately to resolve the matter, and the case shall be reported to the supervisor. If the matter cannot be handled independently, contact the relevant manufacturer or other computer security incident emergency response team immediately to resolve the matter.

(c) Internet User Management

- ①Employees must abide by the relevant provisions of the Company's network security regulations and truly understand their responsibilities to avoid network security violations and the relevant disciplinary actions.
- ②Employees shall not provide their login identification and network password to others.
- ③Employees shall not steal other people's network login identification and password by any means.
- ④Employees shall not establish pornographic files using the Company's network or disseminate illegal or inappropriate information such as pornographic text, pictures, videos, or audio online.

(d) Server Security Protection

- ①The main system is placed in the Far Eastone IDC computer room for 24-hour personnel monitoring.
- ②The system is protected using PURE Disk Cabinet Snapshots.

(e) Firewall Security Management

- ①Firewalls are installed in the outlets connected to the external network to control data transmission and resource access between the external and internal networks.
- ②The firewall log files (log) must be inspected and analyzed by firewall administrators for abnormalities and backed up regularly.
- ③Purchase firewall system software updates to deal with various network attacks.
- ④The firewall only opens the required communication protocols to the outside world.

- (f) Software Utilization and Control
 - ① Employee computers must use anti-virus software and update virus codes in real-time.
 - ② Announce the latest virus information in real-time.
 - ③ Check the software used on all PCs to ensure that only legitimate software is installed.
- (g) Network Information Management
 - ① The server of the open information system is set up in the DMZ and is separated from the Company's internal network by a firewall to improve internal network security.
 - ② All confidential and sensitive data or documents shall not be stored via information systems open to the outside world.
- (h) Email Security Management
 - ① Use SPAM software filters, and disable the server's forwarding function to prevent malicious acts of using public mail servers to forward illicit letters.
 - ② Non-company employees are restricted from applying for Company email accounts.
 - ③ Properly manage resigned personnel, and the general management office must delete their accounts upon their resignation.
 - ④ Prohibit using Outlook to send or receive letters outside the Company, and SSL VPN must be used to send and receive Emails externally.
- (i) Network Intrusion Handling
 - ① Close the external router's leased line.
 - ② Back up the compromised server system at that time for future inspection.
 - ③ Contact the manufacturer to determine the degree of the breach and how to proceed.
 - ④ Comprehensively review network security measures and modify firewall settings to prevent similar intrusions and attacks
 - ⑤ Present the full intrusion review report.
- (j) Data Backup Management
 - ① Off-site backup mechanism: Two copies of data shall be stored on this backup system (one is stored in the local node, and the other is in the Banqiao remote computer room).
 - ② Two types of backup methods, RMAN and snapshot, shall be adopted.
 - ③ Record backup E-MAIL notifications.
- (k) System Recovery Plan
 - ① Publish the system maintenance announcement, and indicate the expected repair completion date and time.
 - ② When the system server fails to operate normally, use the snapshot restoration method.
 - ③ The backup data version and the hardware equipment specifications must be verified during system restorations.
- e. Resources for investment in information and communication security management:
 - (a) Join TWCERT Information Security Alliance to receive periodic cybersecurity intelligence and strengthen collaborative defense against cyber threats.
 - (b) Conduct regular vulnerability scans, penetration tests, and email social engineering exercises to continually strengthen our information security defense capabilities.

- (c) We have conducted annual email-based social engineering drills. In 2025, the drill targeted 170 users, with a total of 510 emails sent. The results showed a 5.3% open rate and a 1.76% click rate. Employees who failed the drill underwent additional information security training. Annual training on personal data protection and information security, totaling 3 hours, was attended by 128 employees, with regular information security awareness campaigns to enhance employee awareness.
- (d) Establish a backup mechanism for core systems and establish offsite backup and replication at the IDC data center to improve cybersecurity resiliency.
- (e) Implementing an EDR threat visibility analysis and response platform to continuously predict future attacks based on data information, monitor abnormal behavior in real-time, and prevent advanced persistent threats (APT) and ransomware.
- (f) Establishing procedures for reporting and responding to information security incidents.
- (g) Introducing a Security Operations Center (SOC) for threat detection and management to identify security incidents, issue warnings, or detect abnormal connections.
- (h) The Company's status of education and training for information security personnel in 2025 and up to March 31, 2026 is as follows:

Trainees	Organizer	Course Content	Hours
Chief Information Security Officer	Taiwan Corporate Governance Association	1. Chief Information Security Officer In-Person Training Course	3.2
Dedicated Information Security Manager	Taiwan Corporate Governance Association	1. "The Impact of AI on Information Security and Countermeasures" E-Course	2
		2. "Cybersecurity Attack and Defense Techniques and Post-Incident Response and Remediation Measures" E-Course	2
		3. "Hacker Attack Techniques and Key Defense Measures" E-Course	2
Dedicated Information Security Personnel (1)	Taiwan Corporate Governance Association	1. "The Impact of AI on Information Security and Countermeasures" E-Course	2
		2. "Cybersecurity Attack and Defense Techniques and Post-Incident Response and Remediation Measures" E-Course	2
		3. "Hacker Attack Techniques and Key Defense Measures" E-Course	2
Dedicated Information Security Personnel (2)	Taiwan Corporate Governance Association	1 "The Impact of AI on Information Security and Countermeasures" E-Course	2

f. Information Security Implementation Report

On August 14, 2025, the Board of Directors was presented with a report on information security implementation, with the main contents as follows:

- (a) Overview of Information Security Policy: The information system control procedures have been revised.
- (b) Information Security Implementation Results.
- (c) Information Security Incident Reporting and Handling: No information security incidents occurred.
- (d) Information Security Risks and Continuous Improvement Measures.
- (e) Conclusion and Recommendations: Specific improvement measures have been planned, and continued investment in resources to strengthen information security is recommended.

B. List the losses, possible impacts, and countermeasures due to major information security incidents in the most recent year and as of the publication date for this annual report. If it cannot be reasonably estimated, state why it cannot be reasonably estimated: None.

7. Important contracts:

The parties, major contents, restrictive terms, and start/end dates of major contracts that could affect the shareholders' equity, such as supply contracts, technical partnership contracts, construction contracts, and long-term loan contracts that are still effective by the printing date of this annual report or have expired in the most recent fiscal year, shall be listed below:

Nature of the Contract	Party	Start/End Dates of the Contract	Major Content	Restrictive Terms
Loan contract	Hua Nan Bank	2025.10~2028.10	Long-term loan to support operation capital and improve financial structure	None
Loan contract	Bank SinoPac	2025.05~2027.05	Long-term loan to support operation capital and improve financial structure	None
Loan contract	Shin Kong Bank	2025.06~2027.06	Long-term loan to support operation capital and improve financial structure	None
Loan contract	First Bank	2025.12~2027.12	Long-term loan to support operation capital and improve financial structure	None
Loan contract	Mega Bank	2025.10~2028.10	Long-term loan to support operation capital and improve financial structure	None
Loan contract	Mega Bills	2026.01~2027.01	Short-term loan to support operation capital and improve financial structure	None
Loan contract	Dah Chung Bills	2025.12~2026.12	Short-term loan to support operation capital and improve financial structure	None
Loan contract	International Bills	2026.01~2027.01	Short-term loan to support operation capital and improve financial structure	None
Loan contract	Ta Ching Bills	2025.08~2026.08	Short-term loan to support operation capital and improve financial structure	None
Loan contract	Grand Bills	2025.03~2026.03	Short-term loan to support operation capital and improve financial structure	None
Loan contract	Taishin International Bank	2025.01~2026.05	Short-term loan to support operation capital and improve financial structure	None
Loan contract	Taipei Fubon Bank	2025.01~2027.01	Long-term loan to support operation capital and improve financial structure	None
Loan contract	E. Sun Bank	2025.07~2027.07	Long-term loan to support operation capital and improve financial structure	None
Loan contract	O-Bank	2024.07~2026.07	Long-term loan to support operation capital and improve financial structure	None
Loan contract	O-Bank	2025.08~2027.08	Long-term loan to support operation capital and improve financial structure	None
Loan contract	Taiwan SME Bank	2025.11~2027.11	Long-term loan to support operation capital and improve financial structure	None
Loan contract	Land Bank	2025.08~2027.08	Long-term loan to support operation capital and improve financial structure	None
Loan contract	En Tie Bank	2024.09~2026.09	Long-term loan to support operation capital and improve financial structure	None
Loan contract	Cathay United Bank	2024.03~2026.02	Long-term loan to support operation capital and improve financial structure	None
Loan contract	Taichung Commercial Bank	2024.12~2026.12	Long-term loan to support operation capital and improve financial structure	None
Loan contract	Far Eastern International Bank	2025.03~2027.03	Long-term loan to support operation capital and improve financial structure	None
Warranted syndicated loan agreements	O-Bank and 7 other banks participating in the warranted syndicated loan	2024.12~2029.11	Syndicated loan in response to medium-term working capital and improvement in the financial structure	Note 1
Warranted syndicated loan agreements	O-Bank and 8 other banks participating in the warranted syndicated loan	2025.11~2030.11	Syndicated loan in response to medium-term working capital and improvement in the financial structure	Note 1

Note 1: Syndicated loans based upon long-term credit would be syndicated bank loans jointly provided by O-Bank, and other financial institutions that have been taken in response to medium-term working capital and improvements in financial structure of the Company. Terms of the syndicated loan contract stipulated that the Company must maintain a specified current ratio, tangible net worth ratio, and interest coverage ratio every year for the duration of the loan.

Note 2: The Company applies for long-term commercial promissory notes and credit loans from some banks to meet the Company's mid-term working capital needs and improvement of financial structure. According to the provisions of the loan contract, the company shall maintain the debt ratio, net worth amount and interest coverage ratio every year during the term of the loan.

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

1. Financial position:

Any material change in the company's assets, liabilities, or equity during the 2 most recent fiscal years, the main reasons for the material change, and the effect thereof.

Unit: Thousand NT\$

Item \ Year	2025	2024	Difference	Proportion of change %	Notes
Current assets	173,049,054	125,547,721	47,501,333	37.81	1
Property, plant and equipment	25,623,748	24,855,450	768,298	3.09	
Right-of-use assets					
Intangible assets	726,247	511,062	215,185	42.11	2
Other assets	1,492,305,984	1,506,887,301	(14,581,317)	(0.97)	
Total assets	1,691,705,033	1,657,801,534	33,903,499	2.05	
Current liabilities	22,138,076	20,473,141	1,664,935	5.46	
Non-current liabilities	1,620,639,162	1,587,149,068	33,490,094	2.11	
Total liabilities	1,642,777,238	1,607,622,209	35,155,029	2.19	
Common stock	11,103,717	11,224,957	(121,240)	(1.08)	
Capital surplus	4,165,209	4,456,229	(291,020)	(6.53)	
Retained earnings	5,601,308	4,899,582	701,726	14.32	
Other equity	(4,512,106)	(3,327,357)	(1,184,749)	(35.61)	3
Treasury stock	(592,930)	(592,930)	0	-	
Non-controlling interest	33,162,597	33,518,844	(356,247)	(1.06)	
Total equity	48,927,795	50,179,325	(1,251,530)	(2.49)	
<p>Analysis of changes in ratios: (analysis is exempted if the increase or decrease does not reach 20% or the amount of change does not exceed NT\$10 million)</p> <ol style="list-style-type: none"> 1. Mainly due to the increase in bank deposits and reverse repurchase agreement during the period. 2. This is mainly due to the addition of computer software. 3. The main reason is the increase in reclassification to other comprehensive loss due to the Overlay Approach. 					

2. Financial performance:

Main reasons for any material changes in operating revenue, operating profit, and profit before tax in the most recent 2 years and sales volume forecast and its basis, and possible impact on the future finance of the Company and response measures:

(1) Analysis of financial performance:

Unit: Thousand NT\$

Item	2025	2024	Difference	Proportion of change (%)	Item analyzed
Total operating revenue	160,442,001	202,518,193	(42,076,192)	20.78	1
Total operating cost	(159,209,722)	(201,139,182)	41,929,460	20.85	2
Profit(loss) before tax from continuing operations	1,232,279	1,379,011	(146,732)	(10.64)	
Income tax (expenses) benefits	589,840	2,139,214	(1,549,374)	(72.43)	3
Net Profit(loss) from continuing operations	1,822,119	3,518,225	(1,696,106)	(48.21)	4
<p>Analysis of changes in ratios: (analysis is exempted if the increase or decrease does not reach 20% or the amount of change does not exceed NT\$10 million)</p> <ol style="list-style-type: none"> 1. Mainly due to the decrease in gain on foreign exchange in this period. 2. The main reason is the increase in exchange losses during the period and the decrease in other insurance liabilities movement. 3. The decrease in income tax benefits was mainly due to the increase in unrealized exchange losses during the period. 4. This is mainly due to a decrease in income tax benefits during the current period. 					

(2) Estimated sales volume and its basis:

Except that the pharmaceutical industry estimated the sales volume, the rest of the industries did not estimate the sales volume. The estimated sales volume of the pharmaceutical industry and its basis are as follows:

A. Estimated sales volume:

Item	Sales Volume (Ton)
APIs	248.49
API Intermediate	103.28
Others	102.00
Total	453.77

B. Basis:

The expected sales figures in the table above are based on the summary of the Company's 2026 budget as approved by the Board of SCI Pharmtech, Inc. The forecast is based primarily on customer product demand, with sales expected to grow compared to the previous year.

(3) Possible impact on the future finance of the Company and response measures:

The production capacity of the Luzhu plant of the Pharmaceutical Division was fully restored in early 2024, and the Guanyin plant is expected to start trial production in the second half of 2026. It is currently facing challenges such as increased depreciation costs and intensified market price competition, how to improving capacity utilization is a top priority.

The response measures are as follows:

- A. Maintain close relationships with existing customers while actively expanding our customer base is essential for sustaining the growth momentum of our products.
- B. Establish business relationships with drug inventors, expand into CDMO business, extend the reach of operations, and continuously improve and optimize product processes to enhance production efficiency.
- C. Promote circular economy and reduce the environmental impact of business operations while lowering operating costs and increasing competitiveness.

3. Cash flow:

(1) Analysis and explanations of changes in cash flow in the 2 most recent fiscal years

Items \ Years	2025	2024	Proportion of change %
Cash flow ratio %	63.85	—	—
Cash flow adequacy ratio %	311.58	634.32	(50.88)
Cash reinvestment ratio %	0.80	(0.03)	2,766.67

Analysis of the proportion of change:

1. Cash flow ratio increase: This is mainly due to the cash inflow generated from the current period's operating activities.
2. Cash flow adequacy ratio decreases: The main reason is the decrease in net cash inflow from operating activities over the past five years.
3. Cash reinvestment ratio increase: This is mainly due to the fact that the cash inflow from operating activities in the current period exceeded the cash dividends paid.

(2) Analysis of cash liquidity in 2025:

Unit: Thousand NT\$

Cash at beginning of year①	Cash flows from operating activities for the entire year②	Other cash outflow for the entire year③	Sum of cash surplus (inadequacy) ①+②+③	Remedial measures for cash inadequacy	
				Investment plan	Financial plan
31,479,776	14,135,139	34,376,438	79,991,353	None	None
1. Analysis of changes to cash flow for this year: (1)Operating activities: The increase in cash inflow from operating activities this period was mainly due to a reduction in the purchase of financial assets related to operating activities. (2)Investing activities: The increase in cash inflows from investing activities this period was mainly due to the increased disposal of financial assets related to investing activities. (3)Financing activities: The increase in cash inflow from financing activities this period was mainly due to the issuance of corporate bonds. 2. Remedial measures and liquidity analysis for cash inadequacy: There is no cash inadequacy currently.					

(3) Cash liquidity analysis for the following year:

Unit: Thousand NT\$

Cash at beginning of year①	Expected cash flows from operating activities for the entire year②	Expected cash outflow for the entire year③	Expected sum of cash surplus (or inadequacy) ①+②-③	Remedial measures for expected cash inadequacy	
				Investment plan	Financing plan
79,991,353	33,860,087	60,110,851	53,740,589	—	—
1. Analysis of changes in cash flows for the year: (1)Operating activities: Considering the continued interest rate cuts by the US Federal Reserve in 2026, the interest rate differential between Taiwan and the US has gradually narrowed, and the rate of policyholder cancellations has also slowed down. It is estimated that the net cash flow from operating activities in 2026 will increase compared to 2025. (2)Investing activities: In order to meet investment needs, it is planned to increase the stock investment position in 2026 and adjust the bond investment accordingly. It is expected that the cash outflow from investment activities in 2026 will increase compared with 2025. 2. Remedial measures and liquidity analysis for expected cash inadequacy: There is no current issue of cash inadequacy.					

4. Major capital expenditure items:

(1) Retail of daily commodities and food

In recent years, in addition to the expansion of the central kitchen, the total investment amount is estimated to be about NT\$805 million. It is mainly used for production and processing, low-temperature freezing warehouse and normal temperature raw material storage. It has been completed and put into use to improve the product self-production rate, and to comprehensively control product quality and shorten delivery time. The remaining investment will be on furnishing the new retail outlets, with no other significant capital expenditures.

(2) Life insurance

There was no significant capital expenditure in 2025.

(3) Pharmaceuticals

2025's main capital expenditures: Establishment of Guanyin plant.

A. Expected benefits:

Considering the growth demand in the pharmaceutical market and the risk of a single plant, a decision was made to establish the Guanyin Plant to maintain the momentum of sustainable development. The new Guanyin Plant will incorporate automated

warehousing and packaging equipment, which will be smarter than the Luzhu Plant. Four production lines are scheduled to be constructed currently, with a maximum capacity equivalent to approximately 50% of the capacity of the Luzhu plant. Production is expected to commence in the second quarter of 2026.

B. Possible risks:

Suboptimal capacity utilization after the production line is put into operation will affect the profitability of the company's main businesses.

C. Response measures:

Strengthening the business team, expanding operational reach, expanding into CDMO business, and optimizing product portfolio to enhance profitability.

(4) Information services

There was no material capital expenditure in 2025.

5. Policy on investment in other companies, main reasons for profit / losses resulting therefrom, improvement plan, and investment plans for the upcoming fiscal year:

(1) Policy on investments in other companies

The Company continued to integrate group resources and restructure, evaluate investment strategies with prudence and seek new opportunities for cross-industry alliances and investment projects, and expand the scale of business through vertical integration and diversified business models.

(2) Main reasons for profit / loss resulting therefrom

In 2025, the overall profits of the invested businesses declined compared to 2024. Among them, the most significant changes in operating performance were: (1) the life insurance business suffered exchange losses in 2025 due to the sharp fluctuations in the exchange rate of the New Taiwan Dollar against the US Dollar, while it had exchange gains in 2024, resulting in a decrease of about 46% in the profits of the life insurance business; (2) the pharmaceutical industry had NT\$430 million in claims income last year, but none in 2025, resulting in a decrease of about NT\$427 million in its profits.

In 2026, life insurance business will fully align with the new regulations of IFRS 17 and TW-ICS, adopting "capital allocation optimization" and "asset-liability matching" as core strategies for sound management. Flexible adjustments to foreign exchange hedging ratios and allocations will reduce hedging costs, promote sales of protection and investment-linked products, generate stable fee income, and mitigate interest rate risks, with the aim of enhancing profitability. Pharmaceuticals will adopt "dual capacity engines" and "high-value CDMO" as core growth strategies, seeking to reverse the revenue decline in 2025, enter a new stage of revenue expansion, and enhance profitability. However, the investee companies Sanyou Drugstores Ltd., Mercuries Food Service Japan Ltd., and Mercuries Soft(Nanjing) Ltd. have not yet reached economies of scale; Framosa Co., Ltd. and HoneyBear Biosciences, Inc. are still in the innovation stage and have yet to begin normal operations, continuing to incur significant losses.

Efforts are underway to actively adjust business models and seek and expand business opportunities to improve operational results. Details of the profit or loss status of the company's invested companies in 2025 are provided on pages 206–207 of this annual report.

(3) The Company no individual investment project in the following year accounts for more than 5% of the Company's paid-in capital. The Company will maintain a policy on stable investment to improve the effect of asset allocation; in addition, the Company is still actively

expanding its market and looking for domestic and overseas investment partners for joint venture opportunities and its business scope. In addition to achieving the objectives of diversification, the Company will also leverage professionalism and other advantages of its partners in their respective sectors to expand the scope of business, continue to establish foundations in various industries, and maintain high levels of competitiveness.

6. For risks, the following items shall be analyzed and assessed for the most recent year up to the printing date of this annual report:

The businesses, based on individual types and organizational management structures, have established risk management policies according to the Company's operating policies to identify, assess, supervise, and control existing and potential risks through risk management systems. The goal is to achieve a reasonable balance between risks and return within the scope of tolerable risks.

- (1) Changes in interest rates, exchange rates, and inflation and how these may impact the Company's profit or loss and future response measures:

A. Changes in interest rates

According to the International Monetary Fund's (IMF) World Economic Outlook released in January 2026, global economic growth is estimated at 3.3% in 2026 and 3.2% in 2027, which shows that the global economy is still resilient. However, economic growth momentum in each region has become increasingly divergent, of which the U.S. economy is expected to remain robust. The Eurozone's growth will be relatively sluggish. However, in the next years, economic growth momentum in this region may rebound with the increase of Germany's public expenditure and the support of Ireland and Spain's economic performance. As for China, benefiting from the one-year trade truce settled last November, the U.S. has reduced effective tariffs on Chinese products. Together with the anticipated two-year stimulus measures, these factors are expected to drive economic growth in 2026. The IMF estimates U.S. economic growth at 2.4% in 2026 and 2.0% in 2027, both surpassing the average for developed countries, driven by support from financial policies and reduced interest rate political conditions, while the negative impacts brought on by increased trade barriers have gradually weakened. The IMF also projects U.S. core inflation in 2027 to drop back to the 2% policy target. Regarding currency policies, the U.S. Federal Reserve cut the benchmark interest rate by 25 basis points to 3.5%–3.75% in December 2025 and is expected to cut rates by an additional 50 basis points in 2026. The accommodative monetary policy will drive a gradual decline in U.S. Treasury yields. The Company shall continue to closely observe trends in interest rates, make timely adjustments to investment portfolios, and formulate appropriate investment strategies.

a. Retail of daily commodities and food

The net interest income (expenditure) in 2025 was (NT\$95,123) thousand; the proportion to the industry's income and net profit before tax was around (0.4)% and (19.63)%, respectively; the Company will continue to observe the interest rate trend. Moreover, the Company has always maintained a good relationship with its correspondent banks, with financial stability and good loan credits; thus, it can also obtain a better interest rate for loans, lowering future interest rate changes will not have a significant impact on the company's overall operations.

b. Life insurance

Net income from interest on investments in 2025 amounted to NT\$37,073,322 thousand, accounting for 37.85% and 8,321.32% of net operating revenue and

income before tax specified in the financial statements of the business unit, respectively, this is a very high percentage, the Company will continue to observe trends of interest rates, timely adjust investment portfolios, and adopt appropriate strategies for investment.

c. Pharmaceuticals

The capitalized interest on the five-year loan from Mega Bank in 2025 amounted to approximately NT\$41.45 million, which will be amortized after the operation of the Guanyin Plant. The interest expense for 2025 was approximately NT\$4.93 million.

d. Information services

The net interest income (expenditure) for 2025 was NT\$(33,135) thousand, accounting for approximately (0.51) % and (8.82) % of the industry's income and net profit before tax, respectively. Due to successive completions of major projects in 2025, the Company has accumulated sufficient working capital. Bank loans have decreased as a result, which has also lowered net interest expenses relative to 2024. Interest rates are not estimated to undergo major changes over the next year, which keeps net interest expenses at a reasonable range.

B. Changes in exchange rates

Driven by robust investment momentum in AI and front-loading effects induced by tariffs, the global economy has demonstrated strong resilience. U.S. economic fundamentals have shown signs of weakening employment, but with inflation risks under control, the overall rate-cut trend remains clear. However, divergences within the Federal Reserve regarding the pace of rate-cuts persists, which may affect the degree of monetary policy easing. With expectations of a "soft landing", the market may begin to price in the end of the easing cycle in advance in the second half of 2026. Exchange rates of the New Taiwan Dollar (NTD) are primarily influenced by Federal Reserve policy developments and foreign capital flows in the equity market. In the first half of 2026, investment momentum in AI is expected to continue attracting capital inflows. Coupled with a relatively weaker U.S. Dollar Index, the NTD is expected to show an overall appreciation trend. However, due to the implementation of the new accounting standards, life insurers have been gradually reducing their SWAP positions and increasing spot purchases of foreign currency. This structural demand is expected to limit the appreciation of the NTD relative to other Asian currencies. As the U.S. rate-cut cycle enters its final phase, a rally in USD value is likely, and the NTD is expected to depreciate. The Company currently maintains sufficient foreign exchange fluctuation reserves to withstand NTD volatility. Its hedging strategy will be dynamically adjusted in accordance with regulations and market conditions.

a. Retail of daily commodities and food

The products were mainly for domestic sales, and the gain on exchange caused by purchase was about NT\$3,699 thousand, accounting for around 0.01% and 0.76% of the industry's income and net profit before tax, respectively. The proportions were not large, so the impact of exchange rate changes was not significant.

b. Life insurance

The net exchange loss in 2025 was NT\$28,866,700 thousand, which accounted for around 27.43% and 6,030.39% of the industry's income and net income before tax, respectively, accounted for a considerable proportion. In the future, we will continue to closely monitor the trend of the New Taiwan Dollar and flexibly adjust the hedging ratio to save hedging costs.

c. Pharmaceuticals

2025 saw gained a foreign exchange loss of NT\$25.10 million, which had an impact of approximately NT\$0.21 on the after-tax EPS. The exchange rate fluctuation has a significant impact on profitability, and the exchange rate will be closely monitored. The Company will determine the appropriate time to purchase and sell foreign currency, or employ foreign exchange forward to hedge currency risks.

d. Information services

The exchange loss in 2025 was NT\$94 thousand, which accounted for about 0% and 0.03% of the industry's income and net profit before tax, respectively. The Company's main business activities include selling financial automation equipment and undertaking government system integration and engineering projects. Therefore, sales are primarily domestic, with little impact from exchange rate fluctuations. However, there is a small portion of purchases in Japanese yen, US dollars, and euros. In the future, the company will continue to collect information on exchange rate changes from various sources, summarize and analyze exchange rate trends, keep track of the time and amount of foreign currency demand, and perform appropriate hedging operations to reduce the impact of exchange rate fluctuations on the company.

C. Inflation

In 2025, Taiwan's CPI increased by 1.66% year-on-year, declining compared to previous years and falling below 2% for the first time in four years. The primary reason was the notable moderation in price increases for vegetables, fruits, and edible oils. However, the outbreak of a conflict between the U.S. and Iran at the end of February 2026 has significantly impacted crude oil and natural gas prices, driving up operating costs across industries. In addition, increases in minimum wage and unpredictable weather conditions are expected to make it difficult for CPI to remain stable in 2026. The Company will continue to monitor inflation trends to reduce the impact caused by profits being eroded by inflation.

D. Operational risks

The operational risks of the pharmaceutical operations include:

a. Supply chain risks:

(a) Risks: ①The country is highly dependent on China and India for key raw materials. If orders are not fulfilled and exports are delayed, delivery times will be extended.

②Precious metals have risen by about 50% this year, leading to a significant increase in the cost of precious metal catalysts (such as palladium and platinum).

③China has tightened export controls on key metal raw materials, leading to unstable supply sources.

(b) Impact: Currently, the chemical market is still oversupplied. Except for the price increase of raw materials used in high-tech industries, the prices of other chemicals are generally flat or declining slowly, which has little impact on profits and losses.

(c) Response: ①Safety stock levels have been established for materials with unstable delivery schedules.

②Secure customer approval for additional supply sources.

③Closely monitor suppliers' operational conditions, adjusting inventory based on order demand and market trends.

- ④ We review the inventory of precious metal catalysts and the price trend of precious metals every quarter to assess the timing of purchases.
- ⑤ We have confirmed whether the raw materials are subject to critical metal controls. New supply sources have been added for the controlled raw materials.

b. EHS risks:

- (a) Risks:
 - ① The company operates in the chemical manufacturing industry, where fire and toxic disasters are high-probability risks.
 - ② Operational errors may cause equipment damage, personnel injuries, or production halts.
 - ③ Operational errors may lead to environmental pollution or production halts.
 - ④ The impact of net-zero carbon emissions and carbon tax.
- (b) Impact:
 - ① Fire insurance premium of 29.5 million (20% deductible and 10% self-insurance).
 - ② If the Ministry of Environment expands carbon fee collection in the future, costs will increase by NT\$4.72 million (based on 2024 carbon emissions estimates).
 - ③ Products exported to Europe are subject to carbon tariffs, with European carbon taxes approximately ten times higher than Taiwan's.
- (c) Response:
 - ① To execute standard operational procedures faithfully, ensuring adherence to ISO45000 and ISO14000.
 - ② Implement education and training programs and fire drills to enhance employees' safety awareness and ensure effective response in the event of an emergency.
 - ③ The company has purchased fire insurance, with the current total insured amount being approximately NT\$6.209 billion (including business interruption insurance).
 - ④ To have Insurances for public accident liability and employer liability.
 - ⑤ Complete the greenhouse gas inventory and internal and external verification.

c. Quality risks:

- (a) Risks: Failing a client audit or health authority inspection or receiving warning letters, which create issues in product quality that necessitate remake or scrapping.
- (b) Impact: In 2025, the company incurred inventory write-offs of approximately NT\$3 million and product returns and allowances of approximately NT\$4 million.
- (c) Response:
 - ① Implement quality policies and GMP manufacturing to ensure the effective operation of the ISO 9000 system.
 - ② To address data integrity, SAP ERP, Master Control, and Laboratory Information Management Systems have been introduced.
 - ③ Product liability insurance of USD 2 million has been secured.

- (2) Policies on high risk, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives trading, main reasons for the profits or losses generated thereby, and future response measures:

The Company does not engage in high-risk, high-leverage investments, fund lending, or derivative trading. Under "Endorsement Guarantee Procedure," the Company provided joint guarantees for the subsidiaries Sanyou Drugstores Ltd. loans of NT\$100 million, based on the capital contribution ratio, a joint guarantee will be provided to Framosa Co., Ltd. within the bank loan credit range of NT\$240 million. Due to business operation needs, each of the company's reinvestment companies is engaged in endorsement guarantees, loan funds and derivatives trading, details are as follows:

A. Retail of daily commodities and food

Loans to other parties, endorsements/guarantees, and derivatives trading were performed by the Company based on the policies and response measures stipulated in the Procedures for Acquisition and Disposal of Assets, the Procedures Endorsement and Guarantee, and the Procedures for Lending Funds to Other Parties. Simple Mart Retail Co., Ltd. provided loan facilities of NT\$50 million, NT\$150 million and NT\$30 million to Sanyou Drugstores Ltd., Simple Mart Plus Co., Ltd. and Pet Wonderland Co., Ltd. respectively; and provided endorsement guarantee facilities of NT\$250 million and NT\$50 million to Simple Mart Plus Co., Ltd. and Pet Wonderland Co., Ltd. respectively. Mercuries & Associates, Ltd. and Mercuries F&B Co., Ltd. provided Sanhui Co., Ltd. and Mercuries F&B Consulting Co., Ltd. with loan and credit lines of RMB 45 million and RMB 7 million respectively.

B. Life insurance

- a. The Company did not engage in highly-leveraged investments, loaning funds to others, and endorsements/guarantees.
- b. The Company only engaged in the derivatives trading already approved by the competent authority mainly for the purpose of hedging. The profit or loss of such trading was hedged against the hedged item. The profit or loss of such trading was regularly evaluated by related procedures to control the effect of fluctuations in exchange rates, interest rates, and market prices.
- c. In the future, the Company will make proper use of adequate hedging instruments and strictly abide by the related regulations to achieve risk diversification, improve the stability of investment income, and maximize its interests.

C. Pharmaceuticals

- a. Policy: The Company always focuses on its scope of business and does not engage in high-risk or highly-leveraged investment activities, we have never loaned funds to others. All derivatives trading were carried out for the purpose of hedging. The Company will continue to strictly abide by related procedures for derivatives trading stipulated by both the competent authorities and the Company, thoroughly review any associated activities and strengthen the controls. Based on the capital contribution ratio, a joint guarantee will be provided to Framosa Co., Ltd. within the bank loan credit range of NT\$400 million.
- b. Cause of profit or loss: N/A.
- c. Future response measures: None.

D. Information services

- a. High risk and highly leveraged investments, and derivatives trading:
Our financial policy is based on prudence and conservatism, and we do not engage in high-risk or high-leverage investments. Engagement in derivatives transactions is governed by the Company's procedures for acquiring or selling assets (including derivatives transactions). In addition to avoiding the foreign currency-denominated asset (liability) market risks due to exchange rate fluctuations, we also do not engage

in arbitrage and speculation. We will adjust the risk-avoidance strategy in a timely manner according to the Company's operating conditions and market trends, regularly evaluate the operation status every month, and present it to the management as a reference for policy judgment.

b. Loans to other parties, endorsements/guarantees :

Loans to other parties and endorsements/guarantees carried out by the Company were compliant with the provisions of the Procedures for Lending Funds to Other Parties and the Procedures Endorsement and Guarantee, and were only initiated with the approval of the Board of Directors. As of the printing date of the annual report for the year 2025, there have been no instances of loans to others or endorsements and guarantees provided.

(3) Future R&D plans and expected R&D investments:

A. Retail of daily commodities and food

The R&D program focuses on enhancing customer experience and diversifying products and services with customer relationship management (CRM) data analysis on consumer characteristics in different sales regions to meet diverse demands for daily necessities and services, and to engage more deeply with the community. The Company also partners with electronic payment and ticketing companies and upgrades payment equipment to reduce friction in the last mile of the purchasing process, creating abundant business opportunities with a more convenient, secure payment journey and marketing experience. Besides the optimization of the warehouse management, electronic label-assisted picking, and automated sorting systems, new automation equipment such as paper compressors reduces storage management costs and improves logistics efficiency. The Group's food and retail businesses plan to launch new styles or services as market demands change, and continue to improve the taste of existing products. The 2025 R&D expenditure was NT\$16,627 thousand, representing approximately 3.43% of the net profit before tax for the segment. The projected investment in R&D in 2026 is NT\$8,492 thousand.

B. Life insurance

The Company not only offers comprehensive life insurance products and services, but also focuses on fulfilling customers' diverse protection and wealth management needs by keeping up with market trends. In response to market demand, we will discuss with the marketing department and continue to develop supplementary products for regular guarantee-type products and investment-type products. For example, we will develop regular guarantee-type products (health insurance, accident insurance, life insurance) that meet customer needs, as well as develop regular guarantee-type products suitable for attachment to investment-type products. We will also enhance the competitiveness of our products and examine the leading products in the industry in order to design products that can increase mortality and expense differentials. For instance, we will continue to promote the sale of health insurance with the feature of walking exercise, and continuously develop different types of spill-over policies. We will also continue to expand the applicable product categories (such as life insurance). We will conduct research on retirement products that are popular among competitors to provide products that meet customer needs. We will design products suitable for new sales agents to help them explore the market. Additionally, we will regularly track the transformation of major competitors' product strategies under IFRS17 and ICS through conferences, news, and public information. Furthermore, the Company will evaluate the development of "blue ocean" products, such as index-linked products FIA/IUL, and promote USD-denominated interest-rate-linked life insurance products to improve currency mismatch and optimize capital management structure. Lastly,

the Company will maintain regular discussions with bank assurance units to research and design differentiated products that meet bancassurance channel needs, thereby expanding business in the bancassurance segment.

R&D expenses include labor hours as well as costs incurred for software and hardware equipment required by the Product Department to develop new products. Total R&D expenses in 2026 are expected to amount to NT\$45,913 thousand.

C. Pharmaceuticals

R&D Project Name	Current Progress	Expected Completion Time Mass Production Time	Key Factors Influencing R&D Success	Expected R&D Investments
Adenine	Capacity Scale-up and Process Optimization	March 2026	Key technology	Investment of about NT\$40 million.
Benserazide	Process Development and Optimization	September 2026	Key technology	
Iron sucrose	Process optimization	March 2026	Key technology	
LDX-OAc	Process Development and Optimization	June 2026	Key technology	
B Project	Process Development and Optimization	June 2026	Key technology	
CDMO-X project	Process optimization	June 2026	Key technology	
Tapinarof	Process Development and Optimization	December 2026	Key technology	
Rimegepant	Process Development	December 2026	Key technology	

D. Information services

To provide software applications integrated with high-value IT services for corporate clients, we shall continue to perfect business technologies and adopt an R&D philosophy to satisfy customers' requirements. We shall also continue to develop next-generation IT products and unique financial products for innovative sectors. Expected R&D investments will be maintained at an annual sum of NT\$255,000 thousand and adjusted according to business performance.

(4) Changes in local and overseas policies and laws, impact on the Company's finances and operations, and response measures:

A. Retail of daily commodities and food

The Company's operating departments are constantly vigilant of changes in policies and laws pertaining to our business departments. We shall continue to consult professional opinions from our management, attorneys, and CPAs about response measures to comply with the laws and reduce the impact on the finances of the Company.

B. Life insurance

a. Regulatory changes:

Letter Jin-Guan-Bao-Shou-Zi No. 1130151281 was issued on January 13, 2025 by the Financial Supervisory Commission to approve and record amendments to Article 8 of the "Insurance Industry Financial Inclusion Service Guidelines."

Key amendments:

Given that the financial industry has conducted training sessions such as those on financial accessibility and the Convention on the Rights of Persons with Disabilities (CRPD) primarily in lecture format, and in order to enable related trainings to better reflect the diversity of the experiences of persons with disabilities, it has specifically stipulated that the insurance industry may design courses in different formats based on various training targets, topics, verification mechanisms, and selection of speakers.

Countermeasures:

- (a) The matter has been circulated through the system to the Operations Planning Department and the Business Training Department—responsible for planning courses for internal and field staff—for evaluation, and cooperating units, including the Human Resources Department, the Executive Office, and the regional departments, have been notified.
- (b) According to evaluations completed by the Operations Planning Department and the Sales Training Department, the current curriculum planning complies with the regulations, and it is not necessary to submit any response measures.
- (c) The newly added provision of Article 8 is intended to provide businesses with greater flexibility in course design and planning. The Compliance Office recommends that the competent authority could refer to these plans when designing future courses so as to reflect the diversity of experiences among persons with disabilities, implement the principle of fair treatment of customers, and strengthen the culture of equitable customer service.

b. Regulatory changes:

Letter Jin-Guan-Bao-Chan-Zi No. 1130439022 was issued on January 16, 2025 by the Financial Supervisory Commission to approve and record amendments to Articles 21, 64, and 64-1 of the "Corporate Governance Best Practice Principles for Insurance Enterprises."

Key amendments:

- (a) In line with the Financial Supervisory Commission's promotion of the gender diversity policy for directors, Article 21, Paragraph 3, Subparagraph 1 — which stipulated that the proportion of "female directors" should reach one-third of total seats of directors — was amended to "directors of any one gender."
- (b) The provision in the original Article 64, Paragraph 5, requiring certain insurance companies to prepare an ESG report is relocated to Article 64-1, and a simplified provision is added stipulating that subsidiaries under a financial holding company that are insurance operators not classified as TWSE/TPEX listed companies, as well as financial holding companies and their subsidiary that are not TWSE/TPEX listed companies, may jointly issue one ESG Report with the parent company.

Countermeasures:

A notification has been circulated through the system of the Company to the Executive Office to assess response measures. The Executive Office has adjusted the Corporate Governance Best Practice Principles to reflect this amendment and has submitted them to the Corporate Governance and ESG Committee, the Audit Committee, and the Board of Directors; the amendment process was completed in March 2025.

c. Regulatory changes:

Letter Jin-Guan-Bao-Tsai-Zi No. 11304950181 was issued on January 22, 2025 by the Financial Supervisory Commission to approve and record amendments to Articles 4 and 6 of the "Regulations Governing Transactions Other Than Loans between Insurance Enterprises and Interested Parties".

Key amendments:

- (a) The Financial Supervisory Commission has relaxed restrictions to encourage insurance industry funds to be deployed through the domestic investment trust and investment consultant industry, thereby strengthening the domestic investment trust and investment consultant industry's asset management scale. The Commission has permitted insurance companies and their related parties to act as investment trust

and investment consultant operators and, with respect to the transactions and entrusted remuneration and fees prescribed under the "Regulations Governing the Conduct of Discretionary Investment Business by Securities Investment Trust Enterprises and Securities Investment Consulting Enterprises", has allowed such matters to be handled by adopting a general authorization following a material resolution of the Board of Directors.

- (b) An additional provision states that acquisitions or dispositions by the insurance industry, effected through discretionary trading, of an exchange-traded fund issued by a stakeholder that exceeded 10 percent of the total amount of beneficiary certification issued for each fund are not included in the total transaction balance under these Regulations.

Countermeasures:

A notification has been circulated through the system of the Company to the Compliance Office and each investment unit for evaluation. According to the responses of the investment units, they are not providing any fully discretionary management services. The current amendment has relaxed certain provisions and does not affect the Company's operations; the Company's "Regulations Governing Transactions Other Than Loans with Stakeholders" and other related internal rules have been amended accordingly to reflect the revised provisions.

d. Regulatory changes:

Letter Jin-Guan-Bao-Shou-Zi No. 1130438873 was issued on February 6, 2025 by the Financial Supervisory Commission to approve and record the promulgation of "Self-Disciplinary Rules for the Responsibility Map System by Insurance Enterprises", comprising 14 articles; these Rules would be implemented one year after the date of recordation.

Key amendments:

- (a) Each life insurance company is required to establish a responsibility map system. The requirement applies to all senior management (including the Chairman).
- (b) The Board of Directors shall be responsible for overseeing the implementation of the responsibility map system and, through that system, for confirming the responsibilities of senior management who are to be held accountable, in order to ensure the effectiveness of the responsibility map system. The Board of Directors may authorize its subordinate committees to oversee the operations and decision-making process of the Company's relevant business lines to strengthen decision-making functions and reinforce management mechanisms.
- (c) Each life insurance company is required to present a statement of responsibility from senior management upon appointment or when their authorities or responsibilities are adjusted, and to formulate handover procedures and related rules for senior management in order to establish a comprehensive handover system.

Countermeasures:

The Compliance Office, the Human Resources Department, and the Executive Office established a project task force to introduce the Responsibility Map System in March 2025. The task force completed drafting the Responsibility Map System and submitted it to the Board of Directors, which approved it in October 2025. Thereafter, the Human Resources Department, pursuant to the authorization granted by Article 14 of the Responsibility Map System, submitted the proposed "Operating Procedures of Accountability for Senior Management" to the Chairman for approval. The procedures were formally implemented on February 1, 2026.

e. Regulatory changes:

Letter Jin-Guan-Bao-Chan-Zi No. 11304947931 was issued on February 7, 2025 by the Financial Supervisory Commission to approve and record the amendment of Items 4 and 9 of the "Directions for Promoting Insurance Service Business Through Collaboration with Business Entities in Other Industries".

Key amendments:

- (a) Item 4 defines the scope of cross-industry cooperation for promoting insurance business. This amendment primarily adds that the three major telecommunications companies, insofar as they provide international roaming services, may cooperate in promoting travel-related insurance products, thereby expanding the entities eligible to cooperate in promoting insurance business. The remaining revisions are limited to textual adjustments and entailed no substantive changes.
- (b) Item 9 pertains to the internal control regulations. The primary purpose of this amendment is to strengthen the internal control mechanisms governing cross-industry collaborations for promoting insurance business, and the following contents are added:
 - 1. A procedure for handling internal control operations shall be established.
 - 2. Prior to commencing the business, the head of legal compliance and the head of risk management of insurance enterprises shall each issue signed statements confirming that the business complies with applicable regulations and internal rules
 - 3. Periodically reviewing the implementation of internal control operations, and reporting the results to the Board of Directors.
 - 4. Conducting a routine audit of the business once a year and conducting special audits as needed.
 - 5. Companies shall report to the competent authority for record within one month after conducting the business; the same applies when ceasing to conduct the business.

Countermeasures:

At present, there are no cross-industry collaborations to promote insurance business. Each unit also states in the Regulatory Change System that there are no planned cases. If a need to undertake such activities arises in the future, they shall comply with the requirement under Item 9 (2) and consult the compliance unit before commencing the business.

f. Regulatory changes:

Letter Jin-Guan-Bao-Shou-Zi No. 1130432032 was issued on February 17, 2025 by the Financial Supervisory Commission to approve and record the promulgation of the "Self-Disciplinary Rules for Outsourcing Operation Using Cloud Services by Insurance Enterprises", comprising 13 articles.

Key amendments:

- (a) The Self-Disciplinary Rules shall apply to the operations entrusted to third parties in accordance with the "Directions for Operation Outsourcing by Insurance Enterprises" and involving the use of cloud services. (Article 2)
- (b) The company shall establish a cloud service governance mechanism, which includes the roles and responsibilities of the Board of Directors of cloud service usage, risk management, outsource management, and cloud service management. (Article 4)

- (c) The company is required to conduct due diligence on cloud service providers, implement periodic review procedures, and carry out audit activities. (Articles 5 and 9)
- (d) Explicitly specify the matters that contracts or agreements for outsource use of cloud services shall have covered. (Article 6)
- (e) Explicitly specify the information security control measures to be observed when operating cloud services, including security controls for the cloud environment, identity management, encryption management for data transmission and storage, and key management mechanisms. (Article 7)
- (f) The company shall plan personnel and training in accordance with the scope of cloud services in use, and provide the necessary resources. (Article 8)
- (g) The company, when it uses cloud services, shall have assessed the impact on its existing information systems and business operations, and shall have incorporated those impacts into its business continuity management mechanisms. (Article 10)
- (h) The contents of these Self-Disciplinary Rules are to be incorporated into the company's internal control and internal audit systems and are to be subject to periodic audits. (Article 11)
- (i) Any person who violates these Self-Disciplinary Rules may be fined between NT\$50,000 and NT\$200,000. (Article 12)

Countermeasures:

Aside from notifying the dedicated outsource unit, the Occupational Safety and Health (OSH) & General Affairs Department, a total of twelve departments are notified, including IT, information security, and audit departments, as well as the business units that have already outsourced operations. The OSH & General Affairs Department, together with the Information Technology (IT) Department, has incorporated into the "Cloud Service Management Measures" the provisions from the "Self-Disciplinary Rules for Outsourcing Operation Using Cloud Services by Insurance Enterprises" concerning the selection of outsource cloud service providers prior to contracting cloud services, the risk assessment of outsource cloud services, and the periodic inspection and management of outsource cloud service providers, in order to address this amendment.

g. Regulatory changes:

Letter Jin-Guan-Bao-Tsai-Zi No. 11404904517 was issued on February 12, 2025 by the Financial Supervisory Commission to approve and record the interpretive order concerning Articles 2, 3, 5, 7, and 10 of the "Regulations Governing Use of Insurer's funds in Special Projects, Public Investments and Social Welfare Enterprises".

Key amendments:

- (a) In order to align with the policy directions of "The Trillion NT Dollar Investment National Development Plan" and the "Asian Asset Management Center (AAMC) Plan" and to guide insurance industry funds to invest in domestic public infrastructure and strategy industries, the Financial Supervisory Commission issued five interpretive directives on March 26, 2025 concerning the "Regulations Governing Use of Insurer's funds in Special Projects, Public Investments and Social Welfare Enterprises".
- (b) Expanding the scope of public investments handled by insurance industry funds to align the public investment items under the these Regulations with the scope of public construction under the Ministry of Finance's "Act for Promotion of Private Participation in Infrastructure Projects".

(c) Expanding the scope of domestic private stake funds in which insurance industry funds could invest to include projects undertaken pursuant to the Act for Promotion of Private Participation in Infrastructure Projects and other statutes, ESG sustainability targets, and social welfare organizations.

(d) Opening channels for the insurance industry to carry out investment and financing in ESG-related sustainable assets, including direct investments, indirect investments through national-level investment companies, and participation in syndicated loans.

Countermeasures:

Regarding the newly added investable items, the Equity Investment Department has incorporated the newly issued directive into its operations manual and would implement the directive's provisions when subsequently investing in those newly added items. The Assets Allocation and Management Department has established the "Principles of Responsible Investment" and "Regulations Governing the Principles of Responsible Investment", and has amended the "Regulations Governing the Principles of Responsible Investment" to use ESG-related official letters and directives from the competent authorities as a reference for investment assessments.

h. Regulatory changes:

Letter Jin-Guan-Bao-Ju-Zi No. 1140412568 was issued on March 28, 2025 by the Financial Supervisory Commission to stipulate "Reaffirming that the insurance industry should diligently handle matters related to newborn insurance in order to safeguard newborn welfare". The letter addressed situations in which certain insurance agents, while soliciting business, advised parents to forego newborn screening within 48 hours of birth. Such advice caused some parents to refuse screening, which resulted in delayed diagnoses and seriously affected newborn welfare.

Key amendments:

(a) In designing insurance products, contract clauses shall clearly stipulate the waiting period rules for disease exclusions pertaining to the "neonatal congenital metabolic disorder screening items for hereditary diseases" (including the current 21 diseases and any diseases to be added in the future).

(b) Newborn screening is not a health checkup. The disclosures in the insurance application form prevail, and insurers are not to prepare separate newborn questionnaires to question policyholders. If screening results are positive, insurers are to consider each insured person's repeat-test results and medical professional judgment, and to handle the case by deferring underwriting or by other appropriate measures; outright denial of coverage is not adequate.

(c) Insurance agents are prohibited from engaging in improper conducts that, for the purpose of soliciting insurance, recommend, assist, or induce parents of newborns to forgo or to postpone newborn screening. Violators are to be disciplined in accordance with applicable regulations. Each life insurance company is required to implement this measure diligently and to incorporate it into its education and training programs and outreach.

Countermeasures:

Notifications have been issued to the Product Department, Contract Department, Sales Training Department, Service Quality Department, and to each branch office and regional office for evaluation. The Contract Department, each branch office, and the regional offices have all completed dissemination through contact letters,

internal e-mails, or training; the Sales Training Department has incorporated the related content into salesperson training courses. The Product Department has inventoried products currently on sale and, for those products that were in non-conformance with the regulations, has completed the amendments to the corresponding clauses.

i. Regulatory changes:

Letter Jin-Guan-Bao-Shou-Zi No. 1140490966 was issued on March 25, 2025 by the Financial Supervisory Commission to request that each life insurance company to consider implementing a mechanism whereby, when a policyholder applies for a new contract or requested policy maintenance services, the policyholder and the insurer may agree to notify a designated contact person in order to enhance the effectiveness of fraud prevention.

Key amendments:

(a) Life insurance companies were requested to consider arranging a mechanism whereby the applicant and the insurer may agree to notify a designated contact person in order to enable a third party to intervene and deter fraud when a policy applicant applies for a new policy or requests policy maintenance services. To prevent agents from misappropriating premiums, agents have been fully prohibited from collecting cash premiums on behalf of insurers since January 1, 2025.

(b) Insurance companies that proactively provide a service to notify designated contacts, and have demonstrated concrete effectiveness, are included as an additional scoring item in the evaluation mechanism of the annual Treating Customers Fairly (TCF) Principle, and appropriate rewards shall be given in a timely manner.

Countermeasures:

Notifications have been issued to the Operations Planning Department, the Contract Department, and the Policyholder Services Department for evaluation. The Operations Planning Department, together with the two other departments, jointly examined the introduction of a designated contact person mechanism. The designated contact person service was implemented on October 31, 2025; the system successfully went live, and the following month a disclosure was posted on the official website.

j. Regulatory changes:

Letter Jin-Guan-Bao-Zong-Zi No. 1140133479 was issued on April 10, 2025 by the Financial Supervisory Commission to approve and record the promulgation of the "Self-Disciplinary Rules for Artificial Intelligence (AI) Systems Application by Insurance Enterprises", comprising 18 articles.

Key amendments:

(a) To strengthen the protection of customer data and risk controls in the insurance industry arising from the use of Artificial Intelligence systems in conducting insurance business, these Rules are formulated with reference to the "Guidelines for Artificial Intelligence (AI) Applications in the Financial Industry". (Article 1)

(b) The definition of Artificial Intelligence, including AI systems and generative AI, is specified. (Article 2)

(c) Reference shall be made to the definition of materiality in Paragraph 4, Subparagraph 5 of the "Directions for Operation Outsourcing by Insurance Enterprises" to assess whether there is a material impact on operations. (Article 3)

- (d) Engagement of third-party service providers to perform Artificial Intelligence operations or to implement AI systems shall be carried out in accordance with the provisions of "Directions for Operation Outsourcing by Insurance Enterprises", and investigation, evaluation, and supervision of the third-party service providers shall be required. (Article 5)
- (e) The company shall designate a senior executive or committee authorized to oversee cross-departmental operations to be responsible for the supervision and management of the use of AI systems and to establish an internal governance framework. (Article 7)
- (f) It is explicitly stipulated that, when AI systems are developed or optimized in-house, necessary technical documentation and related records shall be retained, and appropriate protective measures shall be implemented to ensure the security of the systems and data and to prevent data breaches. (Articles 8 and 10)
- (g) When an AI system is used to interact directly with consumers, it shall comply with the Treating Customers Fairly (TCF) Principle. (Article 9)
- (h) The information security rules to be complied in the use of AI systems are clearly defined, including the establishment of information security protection or control measures. (Article 14)
- (i) After the company has implemented an AI system, it shall be aware of the system's architecture, algorithms, the features it employs, and the factors that influence its decisions. Additionally, the AI system's operational processes may be understandable and explainable. (Article 15)
- (j) The company's strategy and implementation direction for the use of AI systems shall be included in the comprehensive metrics of sustainable development, and appropriate education and training shall be provided to general employees. (Article 16)
- (k) The provisions of these Self-Discipline Rules shall be incorporated into the company's internal control and internal audit systems and shall be subject to periodic audits. Violators may be fined not less than NT\$50,000 and not more than NT\$200,000. (Article 16)

Countermeasures:

Based on evaluations by the various units, the intelligent customer service system that has been planned does not meet the materiality required under Article 3 of the Self-Discipline Rules and therefore is not subject to these Rules. However, pursuant to Article 7 of the Self-Discipline Rules, insurance companies are required to designate senior executives or a committee capable of supervising cross-departmental operations to be responsible for the oversight and management of AI system usage and to establish an internal governance structure. The System Planning Department coordinates the drafting of the management guidelines. Prior to formal approval of the draft, all information technology project initiations are to be submitted to the System Planning Department for review. The System Planning Department will assess if a project fell within the scope of the Self-Discipline Rules and review with the project unit if it meets the applicable requirements.

k. Regulatory changes:

Letter Jin-Guan-Bao-Zong-Zi No. 11404910871 was issued on April 15, 2025 by the Financial Supervisory Commission to approve and record the amendment to the "Directions for Insurance Enterprises Engaging in Electronic Commerce Business", comprising 22 items.

Key amendments:

- (a) The Directions permit group insurance policyholder entities to apply to register for online insurance services through digital means and to designate authorized personnel and the insured parties. (Items 4 and 11)
- (b) The channels for the insurance industry to sell major illness insurance online are relaxed, no longer limited to sales through platforms designated by the competent authorities, and insurers may conduct online enrollment for rationed payment health insurance. (Item 7)
- (c) The restriction requiring the policyholder to have an insurable interest in order to purchase “travel accident insurance and its supplemental reimbursement-type medical insurance” online is relaxed. (Items 7 and 12)
- (d) Explicitly stipulating that insurance enterprises shall select identity authentication mechanisms whose assurance level commensurate with the risk level of online insurance service items. (Item 13)
- (e) The amendment adds that policyholders are permitted to apply vouchers or their own membership points to offset a portion of the insurance premium, and that the insurance enterprises shall implement risk-control mechanisms for that payment method. (Item 15)
- (f) Adjusting the operational regulations for sampling telephone interviews conducted by the insurance industry to confirm applicants' intent to purchase insurance. (Items 17 and 18)

Countermeasures:

The key measures in response to this regulatory change are that the Company shall implement an identity verification mechanism aligned with transaction risk levels. Under current practice, applications for transaction accounts have been classified as high-risk matters affecting policyholders' equity, and an appropriate identity authentication mechanism has been adopted. In addition to verifying that the basic information retained by policyholders matched the Company's records, OTP authentication is required. Applicants who have not completed OTP authentication may only apply for a view-only account. High-risk matters are subject to three layers of verification: (1) verification of retained basic information, (2) identity verification , and (3) OTP verification.

1. Regulatory changes:

Letter Jin-Guan-Bao-Shou-Zi No. 1140412306 was issued on April 29, 2025 by the Financial Supervisory Commission to approve and record the promulgation of the "Self-Discipline Rules for Digital Claims Services for Insurance Enterprises", comprising 14 articles.

Key amendments:

- (a) The "Self-Discipline Rules for Digital Claims Services for Insurance Enterprises" consolidates four claims application channels—image-based insurance claims, multimedia service kiosks in convenience stores, Claims Alliance Chain, and mobile claims service—which were previously governed separately by the "Compliance Guidelines for Life Insurance Companies Handling Claims Submission via Imaging", the "Compliance Guidelines for Insurance Companies Handling Online Claim Applications via Multimedia Kiosks in Convenience Stores", the "Compliance Guidelines for Insurance Companies Handling Policy Maintenance/Claims Alliance Chain Business", and the "Self-Discipline Rules for Insurance Enterprises Operating Mobile Services". These four claims application channels are collectively designated as "digital claims services".

- (b) Image-based insurance claims service is defined as a beneficiary submitting a claim through an insurer's designated website section, web page, or mobile application (app), and then autonomously uploads, or authorizes a designated medical institution to transmit images of the claim documents or formatted field information to the insurer. Later, the beneficiary subsequently returns the aforementioned paper documents to the insurer (This requirement does not apply to documents transmitted through medical institutions.) (Article 9)
- (c) Third-party cooperative service refers to instances in which the beneficiary submits a claim application via a multimedia service kiosk located in a third-party cooperating convenience store branch and provided by the insurer. The convenience store's multifunction terminal scans and uploads the claim application documents, and the paper originals of the claim application documents are physically delivered to the convenience store counter for return to the insurer. (Article 10)
- (d) The Claims Alliance Chain refers to the arrangement under which a beneficiary either (a) independently uploads images of claims application documents or formatted field information via a designated website section, webpage, or mobile application (app) established by the primary insurer, (b) authorizes a designated medical institution to transmit such document images or formatted field information to the insurer, or (c) files a claims application with that company through mobile claims as provided in Article 12, and agrees that the related document image data will be forwarded to the insurer designated by the beneficiary through the "Shared Platform of Insurance Technology Application" operated by The Life Insurance Association of the Republic of China. (Article 11)
- (e) The agent-assisted application (mobile claims) service is defined as a service in which an insurance agent or service personnel uses a mobile device to enter claim application data for a beneficiary and, with the beneficiary's consent, uploads—or authorizes a designated medical institution to transmit—images of claim application documents or formatted field information to the insurer. (Article 12)
- (f) When the insurance industry processes digital claims services, beneficiaries are required to select one of the following methods—insurance passbook account number, enhanced mobile identity (mobile phone number), website or app, or paper documents—to complete identity verification and the procedure for expressing consent. (Article 3)
- (g) When an insurer provides digital claims services, it shall publish the service content items on the company's corporate website. Promotional materials are to be prepared uniformly by the insurer, and the insurer is to explain the operational procedures and directions to its sales personnel. Beneficiaries are permitted to review or to indicate their consent to content related to the digital claims services, and the insurer is required to notify beneficiaries of the results of such processing. (Article 5)
- (h) Insurers that provides digital claims services are required to incorporate the provisions of these Self-Discipline Rules into their internal control and internal audit programs, and to establish procedures for internal control operations. (Article 6)

- (i) Insurers' provision of digital claims services shall comply with applicable information security and data retention regulations, and shall establish a toll-free consumer grievance hotline and a reporting mechanism for suspected insurance crimes. (Articles 7 and 8)
- (j) Scope of application for services such as image-based insurance claims, multimedia service kiosks in convenience stores, and the Claims Alliance Chain:
 - 1. The applicant is limited to the beneficiary himself/herself, who has full legal capacity.
 - 2. The scope of insurance types is limited to individual insurance health/accident medical insurance benefits, disability benefits, and major/specified injury (illness) insurance benefits, and excludes travel accident insurance, group insurance, and policies pending designation of the insured.
 - 3. Claim payments are limited to remittance to the beneficiary's own account
 - 4. If the amount payable for the claim exceeds NT\$300,000, payment is withheld until the original paper documents are returned (except where those documents have been transmitted by a medical institution).
 - 5. It shall be handled by a dedicated unit designated by the insurance industry.
- (k) Claims applications accepted through multimedia service kiosks in convenience stores that do not meet the aforementioned applicable conditions require insurers to proactively notify the policyholders and to inform them that the claim will be processed through the traditional claims procedure upon receipt of the paper documentation.

Countermeasures:

The Claims Department, the Information Security Department, the Digital Information Department, the Operations Planning Department, the Audit Office, and the Policyholder Grievance Center have been notified to conduct evaluations, and each branch office has been informed. According to the Claims Department's assessment, the Company provides only two service channels: "agent-assisted application (mobile claims)" and the "Claims Alliance Chain". The Claims Department has updated the service content announcements on the Company's official website and has revised the "Claims Operating Procedures" in response; the Audit Office has also revised the related audit programs to align with the new measures.

m. Regulatory changes:

Letter Jin-Guan-Bao-Ju-(Chan)-Zi No. 1140491697 was issued on May 12, 2025 and Letter Jin-Guan-Bao-Ju-(Chan)-Zi No. 1140491893 was issued on May 19, 2025 by the Financial Supervisory Commission to announce the strengthened priorities for the assessment mechanism of Treating Customers Fairly (TCF) Principle of insurance enterprises for 2026.

Key amendments:

- (a) In a press release dated March 4, 2025, the Financial Supervisory Commission states that it has included anti-fraud measures and their effectiveness of insurance enterprises as additional scoring items under the "Principle of Duty of Care and Duty of Loyalty", the soundness of grievance handling mechanisms as additional scoring items under the "Principle of Grievance Protection", as well as measures to address and mitigate the digital divide affecting senior citizens and persons with physical and mental disabilities, together with their effectiveness, as additional scoring items under the "Principle of Friendly Service".

(b) To encourage the insurance enterprises to cooperate with government policies and to promote the protection of consumer rights, the following items are designated as strengthened priorities for the assessment mechanism of Treating Customers Fairly (TCF) Principle of insurance enterprises for 2026:

1. Pilot programs approved by the Financial Supervisory Commission that have the effect of enhancing financial consumers' rights are designated as bonus score items under the "Principle of Suitability of Products or Services" or the "Principle of Friendly Service".
2. The demonstrated concrete effectiveness of life insurance companies' proactive provision of a mechanism allowing policyholders to designate a contact person for insurance contracts is included as a bonus score item under the "Principle of Friendly Service".
3. The effectiveness with which life insurance companies implemented incentive measures for preferential-rate policy loan relief programs is included as a bonus score item under the "Principle of Friendly Service".

(c) To encourage the insurance industry to cooperate with government policy and to promote consumer rights protection, and pursuant to the Letter Jin-Guan-Bao-Shou-Zi No. 1140491375 issued on April 18, 2025 by the Financial Supervisory Commission, insurers that provide the following necessary assistance and support to policyholders who have suffered the impact of U.S. tariff policy are also designated as an assessment priority and are included as bonus score items under the "Principle of Friendly Service":

1. Extension of existing loans: Insurers have negotiated loan-extension arrangements with lending enterprises to continue providing those enterprises with working capital support.
2. Deferral of policy renewal premiums and principal and interest on policy loans: Insurers have accepted policyholders' aforementioned applications, assisted policyholders in maintaining continuous coverage, provided support for the continuation of protection, and helped stabilize their financial well-beings.
3. Rent-reduction assistance measures: Insurers have negotiated with tenant companies to provide rent reductions or alternative measures to help them reduce operating costs and lessen short-term impact.

Countermeasures:

Notifications have been sent to the Operations Planning Department, the responsible unit for Treating Customers Fairly (TCF) affairs, for evaluation, and all relevant business units have been informed. The Operations Planning Department states that the Action Plan of Treating Customers Fairly for this year include: strengthening public awareness and fraud-prevention mechanisms (e.g., collaborating with radio stations on anti-fraud campaigns), establishing the mechanism of designated contact person for insurance policies, and optimizing customer-friendly services by providing measures for policyholders affected by the impact of U.S. tariff policies, such as deferred premium payments, interest-free policy loans, and relief programs offering preferential interest rates on policy loans. The department has also presented the soundness of the grievance-handling mechanism as a special report to the Management Meeting for Treating Customers Fairly.

n. Regulatory changes:

Letter Jin-Guan-Bao-Shou-Zi No. 1140492065 was issued on June 2, 2025 by the Financial Supervisory Commission to notify the amendment to the "Frequently Asked Questions (FAQ) Concerning the Introduction of Self-Disciplinary Rules for the Responsibility Map System by Insurance Enterprises".

Key amendments:

- (a) The standards for "material misconduct" that trigger the accountability process include material sanctions imposed by competent authorities, written requests from competent authorities for investigations, reports filed through the whistleblower mechanism, deficiencies identified by internal audit, and other means by which material violations of laws and regulations have been discovered. The company may, depending on the nature of its business and its organizational size and structure, establish qualitative and quantitative metrics for "material misconduct"
- (b) Root cause analysis of the incidents in the accountability procedure:
 - 1. "Failures to follow prescribed procedures during operations" refers to situations in which the relevant internal control system has established procedures, but personnel fails to follow those procedures during execution, resulting in oversights, representing deficiencies at the implementation level.
 - 2. "Failures attributable to deficiencies in the design of the internal control system" refers to situations in which the design of the relevant internal control system has been incomplete and has resulted in oversights. For example, the design itself has not fully complied with applicable laws and regulations or has contained loopholes, representing deficiencies at the system or design level.
- (c) A committee with accountability functions may be formed from existing Ethical Corporate Management Committee, Nomination Committee, Audit Committee, and Disciplinary Committee, etc., and is not limited to the functional committees under the Board of Directors. However, the regulations governing the exercise of its powers shall be approved by the Board of Directors.
- (d) Senior management functions encompass the principal business activities of underwriting, policy administration, claims, products, solicitation, distribution channels, personnel management, investment, information technology, finance, actuarial, legal affairs, grievance, and customer service. The term "head of business unit" refers to the individual who has final approval authority over the aforementioned business matters.
- (e) If a supervisor is suspended, on long-term leave, or on leave without pay, and Human Resources Department has announced an acting appointee, the acting appointee is also required to sign a statement of responsibility
- (f) Survey of adoption status of industry peers:
 - 1. Banking industry:
 - (1) One level below the General Manager: Taipei Fubon Bank and Bank SinoPac.
 - (2) Department heads: The majority of state-owned banks, such as Bank of Taiwan.
 - 2. Insurance industry (in planning and not yet confirmed):
 - (1) One level below the General Manager: TransGlobe Life Insurance.
 - (2) Deputy General Manager level and above: Shin Kong Life Insurance and Fubon Life Insurance.
 - (3) Chief X Officer and above: PCA Life Assurance.
 - (4) Division supervisors and above: Taishin Life Insurance.
 - (5) Section supervisors and above: Nan Shan Life.

Countermeasures:

- (a) The Company refers to the current planning directions of banks and industry peers to define the scope of senior management personnel, and it has been proposed to include executives at the head office level and above in the Responsibility Map System. Considering the Company's organizational structure, branch and regional office managers have very limited approval authority in the hierarchical responsibility table and are proposed to be excluded.
- (b) The criteria for "material deficiencies," except that material sanctions imposed by competent authorities are to be determined in accordance with the "Financial Supervisory Commission Public Disclosure Regulations for Penalties Regarding Violations of Major Financial Sanctions", include other situations such as requests from competent authorities for investigations, reports to the insurance industry via whistleblower mechanisms, and internal audit deficiencies. These situations are to be handled pursuant to the Standard Operating Procedures for Handling Operational Abnormal Events and its annex, the "Standard Table for Material Operational Abnormal Events", and, based on the severity of circumstances, the amount of penalties, the number of affected customers, and the extent of damage to property or equity, qualitative and quantitative metrics are established to serve as conditions for the Company to initiate accountability procedures. The specific details are to be stipulated in the Responsibility Map System policies and measures.
- (c) In order to prevent multiple units from redundantly preparing the Table of Delegated Responsibilities and the Business Matrix, the Table of Delegated Responsibilities will be prepared in Excel format and will serve as the foundational document for updating and maintaining documents related to the Responsibility Map system.
- (d) The Company's Executive Office has issued the annual review and update of the Table of Delegated Responsibilities, and all units have completed their updates.
- (e) The Board of Directors has also approved the Policy and Procedures for the Responsibility Map System.
- (f) Senior management completed signing the Statement of Responsibility by January 30, 2026.

o. Regulatory changes:

Presidential Decree Hua-Tsung-Yi-Ching-Zi No. 11400060451 issued on June 18, 2025 has amended and promulgated certain provisions of the Insurance Act.

Key amendments:

- (a) The amendment explicitly stipulates the types of insurance contracts exempted from compulsory enforcement:
 - 1. For life insurance and annuity insurance, if the amount of the surrender-value claim for each valid contract does not exceed the highest standard among the six-month amounts calculated as 1.2 times the most recently announced one year per person, per month minimum living expense by the Ministry of Health and Welfare or the municipal government, it is not to be subject to seizure or compulsory enforcement. (Article 123-1, Paragraph 1; Article 135-4 applies *mutatis mutandis*)
 - 2. Claims to surrender values of health insurance and accident insurance policies are not subject to seizure or compulsory enforcement (Articles 129-1 and 132-1).

3. Life insurance contract announced by the competent authority*: To promote and enhance the basic insurance protection policy, the competent authorities have the authority to announce specified life insurance contracts whose claims to surrender value shall not be subject to seizure or compulsory enforcement. (Article 123-1, Paragraph 2)

* Letter Jin-Guan-Bao-Shou-Zi No. 11404924091 was issued on June 20, 2025 by the Financial Supervisory Commission to announce life insurance contracts that meet the qualifying conditions specified in the "Regulations for Small-Amount Whole Life Insurance Products".

(b) Introduction of the right of intervention: Before the occurrence of an insured event, when the policyholder is a debtor and the surrender value claim of a life insurance contract has been seized, or when the policyholder has been declared bankrupt or proceedings for liquidation or reorganization has been commenced under The Consumer Debt Clearance Statute, the following persons, having obtained the written consent of the policyholder and the insured and having paid to the enforcement authority or to the person designated by the enforcement order an amount equal to the surrender value that the insurer is expected to pay after termination of the insurance contract, are entitled to notify the insurer in writing to change the policyholder to a new policyholder: (Article 123-2)

1. A person who has an insurable interest for the insured.
2. A named beneficiary designated by the policyholder.
3. The spouse, parents, or children of the policyholder or the insured.

(c) Specifying the legal authorization basis and penalties governing the outsourcing by insurers of operational functions to third parties. (Articles 148-3 and 171-1)

Countermeasures:

(a) Regarding the new compulsory enforcement system for insurance policies and the exercise of intervention rights, the Legal Office and the Policyholder Services Department have revised the relevant provisions in their departmental operations manuals.

(b) The Information Technology (IT) Department has revised the "Cloud Service Management Measures" to address the portions that differed from the "Self-Disciplinary Rules for Outsourcing Operation Using Cloud Services by Insurance Enterprises", and the revision has been completed.

p. Regulatory changes:

Directive Jin-Guan-Bao-Shou-Zi No. 11404924093 was issued on June 20, 2025 by the Financial Supervisory Commission to stipulate the interpretive directive concerning Article 6, Paragraph 1, Subparagraph 13 and Article 7, Paragraph 1, Subparagraph 13 of the Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises. The directive is adopted to prevent insurance sales agents and their cooperating distribution channels from inducing debtors to exploit Article 123-1 of the Insurance Act by dispersing and splitting policy purchases to evade the compulsory enforcement of insurance policies.

Key amendments:

(a) The internal business solicitation handling system and procedures of insurers shall include provisions that require their agents and cooperative channels not to induce policyholders, for the purpose of evading future seizure or compulsory enforcement by executing authorities of the surrender-value claims on their life

insurance contracts or annuity contracts, to disperse coverage through the splitting of applications so that the amount of the surrender-value claim for each such insurance contract is below the surrender-value standard for life insurance contracts or annuity contracts that, under Article 123-1, Paragraph 1 of the Insurance Act, or Article 135-4 mutatis mutandis, shall not be subject to seizure or compulsory enforcement.

- (b) The internal underwriting handling systems and procedures of the insurers shall include control measures to prevent affiliated sales agents and partner distribution channels from engaging in the aforementioned circumstances.

Countermeasures:

The Contract Department, the Business Support Department, and the Bank Insurance Department have each evaluated and revised their internal regulations and have established guidelines and control measures. Each regional department has forwarded instructions to its liaison offices to brief sales representatives to avoid noncompliance.

q. Regulatory changes:

Directive Jin-Guan-Bao-Tsai-Zi No. 11404920261 was issued on June 19, 2025 by the Financial Supervisory Commission to stipulate an interpretive directive concerning Article 146-1, Paragraph 1, Subparagraph 6 of the Insurance Act. The directive expressly stipulates that various exchange-traded funds (passive ETFs) and active exchange-traded funds (active ETFs) are included among the other negotiable securities approved by competent authorities for purchase by insurance enterprises under Article 146-1, Paragraph 1, Subparagraph 6 of the Insurance Act.

Key amendments:

(a) New Investment Limit for ETFs:

1. Active ETFs shall not exceed 10% of the total amount of beneficiary certifications issued for each fund.
2. Passive ETFs shall not exceed 30% of the total amount of beneficiary certifications issued for each fund. However, any investment position of an insurer that has exceeded the limit prior to the effective date of this directive is allowed to be retained. Until the held investment position is reduced to comply with the foregoing limit, no additional investment is permitted

- (b) Investments of insurers in active ETFs and passive ETFs, where the ETFs directly hold bonds or where the constituent securities of the underlying index are bonds, are required to have those bonds rated no lower than BBB- or an equivalent rating. However, insurers that have invested in passive ETFs that do not comply with the foregoing requirement prior to December 10, 2019 are prohibited from making any additional investments in such noncompliant passive ETFs.

- (c) Directive Jin-Guan-Bao-Tsai-Zi No. 10804954471 issued on December 10, 2019 by the Financial Supervisory Commission is repealed with immediate effect.

Countermeasures:

- (a) The Investment Management Department has completed revisions to the domestic funds checklist and published a notice; it has also revised the ETS checklist rules, completed testing, and launched them.
- (b) The remaining investment-related departments and the Risk Management Department have completed adjustments to their departmental operating manuals or procedures to conform to this revision.

r. Regulatory changes:

Letter Jin-Guan-Bao-Tsai-Zi No. 1140140056 was issued on June 16, 2025 by the Financial Supervisory Commission to approve and record the amendment to Article 5 of the "Best Practice Principles for Risk Management of Insurance Enterprises".

Key amendments:

In view of the materiality of credit risk and to continuously enhance and strengthen insurance companies' risk management capabilities, the article has been amended to raise the intensity of implementation for credit risk stress testing from "recommended" to "shall", and companies are required to periodically measure the impact they will experience under credit risk stress scenarios.

Countermeasures:

The Risk Management Department has revised the operational manual accordingly and, since 2025 Q2, credit risk scenarios have been incorporated into the quarterly stress-testing procedures.

s. Regulatory changes:

Directive Jin-Guan-Bao-Tsai-Zi No. 11404924811 was issued on June 30, 2025 by the Financial Supervisory Commission to announce the "Adjustment of Premium Reserve Valuation Basis for Life Insurance Enterprises".

Key amendments:

(a) In response to recent volatility in international financial markets and capital markets and its impact on the insurance industry, the Financial Supervisory Commission issued three provisional measures in June 2025. With respect to the measures adjusting the basis for calculating liability reserves, it allowed insurers to submit applications to increase flexibility in the calculation of liability reserves for specified insurance products, and it required insurers to submit adjustment plans to strengthen operational resilience, including concrete plans and indicators to reinforce business fundamentals and assets and liabilities management.

(b) Additionally, in order to help enterprises withstand severe short-term fluctuations in the market and to continue strengthening their financial resilience, the Financial Supervisory Commission issued the following related regulations on the same day, which mandated additional foreign exchange provisions.

Countermeasures:

(a) The Company has submitted to the Financial Supervisory Commission the procedures for releasing reserves and for increasing the foreign-exchange price fluctuation reserve. The "Mercuries Life Insurance Adjustment Plan to Strengthen Operational Resilience" has been approved by the Board of Directors and filed with competent authorities for record. It has been incorporated into the Assets and Liabilities Management Department's compliance manual and operations manual.

(b) All other relevant departments have completed adjustments to their operational manuals or procedures in response to this regulatory amendment.

t. Regulatory changes:

Letter Jin-Guan-Bao-Shou-Zi No. 1140140343 was issued on July 21, 2025 by the Financial Supervisory Commission to approve and record the amendments to Articles 7 and 24 of the "Self-Discipline Rules for Control of Solicitation and Underwriting Operations of Insurance Enterprises".

Key amendments:

This matter involves the Life Insurance Association of the ROC, acting in accordance with instructions from the competent authorities, requiring member companies to adopt preventive measures and to stipulate related handling principles

in cases where, within a specified period before or after the inception of a new insurance contract, other insurance contracts covering the same insured with the same insurer have been terminated (e.g., applicable products, impacts on solicitation commissions for the new contract, etc.).

Countermeasures:

The Company has confirmed that the Business Support Department, the Policyholder Services Department, and the Contract Department have each established comprehensive preventive measures addressing instances in which, within a specified period before or after the application for a new insurance contract, other insurance contracts issued by the same insurer for the same insured person are terminated.

u. Regulatory changes:

Letter Jin-Guan-Bao-Shou-Zi No. 1140424377 was issued on July 30, 2025 by the Financial Supervisory Commission to approve the addition of Item 21 to the "Illustrative Instructions for Completing the Insurance Application Forms", as well as the "Practical Cases on Mental Health Underwriting".

Key amendments:

- (a) The addition provides a definition of mental illness to serve as the basis for the scope of disclosure required when applying for insurance
- (b) The Company shall include "Practical Cases on Mental Health Underwriting" in the training programs for sales staff, distribution channel partners, and underwriting personnel.
- (c) It is reiterated that, when underwriting, if an insurer becomes aware that the insured has records of visits to psychiatric/psychosomatic clinics, the insurer shall, in addition to complying with the Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises to assess the customer's insurance needs and suitability, also consider the insured's diagnostic name(s), dates of treatment, medications, prognosis, and medical records and make a comprehensive determination. The insurer shall then make an appropriate underwriting decision and specify policy terms according to the type of insurance applied for. It is not appropriate to deny coverage solely because the insured has a history of visits to psychiatric/psychosomatic clinics.

Countermeasures:

- (a) The Contract Department and the Bank Insurance Department have provided revised instructions for completing the insurance application form and have incorporated case studies into the training curriculum for underwriting personnel and distribution channel partners.
- (b) The Business Training Department will launch awareness campaigns on MOD and has already uploaded the digital courses on the platform.
- (c) All regional departments and branch offices have replied that the "Illustrative Instructions for Completing the Insurance Application Forms" and "Practical Cases on Mental Health Underwriting" have been disseminated and communicated to their subordinate units.

v. Regulatory changes:

Directive Jin-Guan-Bao-Shou-Zi No. 11404929241 was issued on August 14, 2025 by the Financial Supervisory Commission to approve and record the amendments to Items 2, 3, and 11 of the "Directions for Insurance Companies to Engage in Microinsurance Business".

Key amendments:

The amendments expand the scope of microinsurance protection to include new immigrants and their family members as insured persons.

Countermeasures:

The Product Department has revised the classification of insured persons on the insurance application forms accordingly, and has partially amended the "Application Form for Micro Group Personal Accident Insurance" and the "Application Form for Injury Micro-insurance" (no products currently on sale); they have been submitted to the competent authority for review under the filing procedures. The Group Insurance Department has adopted the new version of the insurance application form.

w. Regulatory changes:

Letter Jin-Guan-Bao-Shou-Zi No. 1140413997 was issued on August 26, 2025 by the Financial Supervisory Commission to notify the Q&A compilation titled "Directions for Handling Interest Rate Variable Insurance Products for Life Insurance Companies".

Key amendments:

- (a) To align with the amendment to Item 3, Paragraph 6 of the "Directions for Handling Interest Rate Variable Insurance Products for Life Insurance Companies", it illustrates that, after adopting IFRS 17, whether for hybrid interest-rate-variable products or for the combination of the main contract and rider, if the group scope of the reserves differs from the segregated assets, a simplified method consistent with actuarial principles may be adopted to split the reserves to be recognized. However, if the effect is immaterial, the reserves for that portion of the interest-rate-variable insurance products may be excluded from recognition, or may not be split based on the materiality principle. (Q25)
- (b) After January 1, 2026, when the monthly declared interest-rate meetings reviewed the actual return on assets of segregated assets in accordance with Article 5, Paragraph 2, Subparagraph 1, Item 1 of the "Directions for Handling Interest Rate Variable Insurance Products for Life Insurance Companies", if the month to which the data belonged is prior to January 1, 2026, the measurement shall follow the rules in effect before the January 1, 2026 amendment and shall take into account the gains and losses arising from reclassifications effected using the overlay method. (Q27)
- (c) Pursuant to Item 6 of the "Directions for Handling Interest Rate Variable Insurance Products for Life Insurance Companies", regarding the provision of special reserve for interest-rate-sensitive products, when the calculation is performed at the end of 2026, entities are to carry forward the assessment results based on the IFRS 4 calculation basis as of the end of 2025. In calculating the net increase in assets less liabilities for the reporting year, they are required to include the one-time effects on the initial application date (e.g., liabilities valuation, assets reclassification, etc.).

Countermeasures:

The Planning Department has convened an interdepartmental consultation meeting with the departments involved in the amendments to this Q&A compilation (Actuarial, Investment Management Department, Accounting, Asset Allocation, and Assets and Liabilities Departments) and has resolved that, going forward, when combining reserves for interest rate-variable insurance products and for main

policies and riders, the reserves will be split using the simplified approach recommended by the Life Insurance Association. There remains no issue of not splitting them.

x. Regulatory changes:

Letter Jin-Guan-Bao-Shou-(Shou)-Zi No. 11404298141 was issued on September 22, 2025 by the Financial Supervisory Commission to reply the agreement to cooperate with the Judicial Yuan's recommendation to adjust the "Recommended Flowchart for Compulsory Enforcement of Insurance Policies (Court-Executed Seizure) and Right of Intervention".

Key amendments:

(a) Recommended Workflow for Compulsory Enforcement of Insurance Policies (Court-Executed Seizure):

1. The court issues a seizure order that specifies the scope of property subject to seizure and the standards for exemption from seizure. If these seizure standards are met, the insurer responds to the court with the seizure results (the debtor's policy information and the amount seized).
2. The court issues an order for termination and conversion to monetary value; the insurer, pursuant to the enforcement order, terminates the policy and disburses the funds to the court/creditor.

Countermeasures:

The Legal Office and the Policyholder Services Department have been notified to conduct an evaluation, and the Legal Office has revised the procedure for issuing notifications regarding policy seizures in the departmental operations manual in response.

y. Regulatory changes:

Letter Jin-Guan-Bao-Ju-(Zong)-Zi No. 1140493649 was issued on September 25, 2025 by the Financial Supervisory Commission to instruct that in order to ensure insureds and beneficiaries are informed of information concerning the compulsory enforcement of insurance policies and the related rights and obligations, and to safeguard policyholders' rights, all insurance companies are required to act in accordance with the explanatory items, in addition to cooperating with the promulgation and implementation of amendments to certain provisions of the Insurance Act relating to the compulsory enforcement of policies.

Key amendments:

- (a) Each life insurance company was required to complete the establishment of a dedicated section for mandatory enforcement on its corporate website by December 18, 2025, and, within that section, provide disclosure of a Q&A on the compulsory enforcement of insurance policies, disseminate information promoting related rights and obligations, and provide a dedicated inquiry hotline for information such as policy types to facilitate policyholders' awareness.
- (b) In response to the amendment to the Insurance Act, with respect to the principles for determining the reporting and classification standards for composite insurance, and the procedures by which in-force policies of new and existing products should be administered in accordance with those principles, the Life Insurance Association will separately convene the life insurance companies for consultation and will thereafter submit the outcome to the Insurance Bureau in writing.
- (c) In addition, the Life Insurance Association will examine specific measures to confirm with each life insurance company the accuracy of the classification of

insurance product types in the disputed cases when conducting practical procedures for court inquiries, so as to avoid misjudgments that would affect policyholders' rights.

Countermeasures:

The Legal Office, together with the Policyholder Services Department and the Brand Public Relations Department, coordinate responses to this regulatory amendment. The Policyholder Services Department has provided a dedicated hotline; the Legal Office has revised the dedicated section's name and its outreach content; and the Brand Public Relations Department has assisted with uploading the materials to the official website. The official website has updated the section to a Mandatory Enforcement section and has added explanatory information on rights related to the right of intervention and an application form for the eligibility review of the right of intervention.

z. Regulatory changes:

Letter Jin-Guan-Bao-Ju-(Tsai)-Zi No. 11404935112 was issued on October 2, 2025 by the Financial Supervisory Commission to reiterate that the insurance industry shall, in accordance with Articles 3 and 4 of the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises applicable from 2026, calculate the insurance contract liabilities of IFRS 17 and determine the best-estimate assumptions for discount rates.

Key amendments:

Insurers, in accordance with Articles 3 and 4 of the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises, which becomes applicable from 2026, has calculated the insurance contract liabilities of IFRS 17 and determined the best-estimate assumptions for discount rates. The discount rates are constructed as the risk-free rate plus a liquidity premium; each product is required to determine its liquidity premium separately according to its segregated account, and the procedures are carried out in accordance with the provisions of the relevant actuarial standards.

Countermeasures:

Actuarial II Department has responded that it has adjusted the actuarial software's method for applying discount rates, changing the identification basis from group-based to identification based on segregated assets, and has confirmed that this complies with regulatory requirements.

aa. Regulatory changes:

Letter Jin-Guan-Bao-(Tsai)-Zi No. 11404939721 was issued on October 17, 2025 by the Financial Supervisory Commission to approve and record the promulgation of "Directions for Optional Transitional Measures on Own Capital and Risk Capital for Insurance Enterprises".

Key amendments:

- (a) The competent authorities, in order to enable insurers to smoothly implement the new generation of solvency regime, has promulgated optional transitional measures available upon application and the matters to be complied.
- (b) In principle, this matter is limited to a single application and, once approved for application by the competent authorities, the insurer enjoys a 15-year transitional arrangement. Even if the capital adequacy ratio referred to in Article 4 of these Directions does not meet the required standard, an application to apply these

Directions may still be made after reporting the related capital increase and commitment plan and obtaining the consent of the Financial Supervisory Commission.

Countermeasures:

The Executive Office has forwarded the capital increase plan and the letter of commitment to the actuarial departments for a consolidated written reply to the Insurance Bureau and for submission of the application. The Assets and Liabilities Management Department has assisted in completing the application report for the "Optional Transitional Measures on Own Capital and Risk Capital for Insurance Enterprises", and it has been discussed and approved at an extraordinary Board of Directors meeting on December 8, 2025.

ab. Regulatory changes:

Letter Jin-Guan-Bao-(Tsai)-Zi No. 1140148528 was issued on October 21, 2025 by the Financial Supervisory Commission to approve and record the agreement to the Life Insurance Association's revisions to the Q&A compilation on the "Foreign Exchange Valuation Reserve".

Key amendments:

This amendment is primarily made to align Taiwan with the adoption of IFRS 17 in 2026. Accordingly, the definitions of "savings in hedging costs" in Question 37, Question 44, and the attachment to Question 40 have been revised, and these revisions became effective on January 1, 2026. In addition, in response to the Financial Supervisory Commission's Directive No. 11404924813 issued on June 30, 2025, which promulgates the "Interpretative Directive on the "Regulations on the Provisioning of Foreign Exchange Valuation Reserves", Question 47 is added to specify the method for calculating "pre-tax earnings for the fiscal year of 2025" and the timing for provisioning.

Countermeasures:

Following referral, Accounting I Department has assessed the matter and has confirmed that it has complied with the regulations.

ac. Regulatory changes:

Letter Jin-Guan-Bao-(Tsai)-Zi No. 11404938681 was issued on October 28, 2025 by the Financial Supervisory Commission to approve and record the amendment of the "Regulations Governing Use of Insurer's funds in Special Projects, Public Investments and Social Welfare Enterprises".

Key amendments:

The Financial Supervisory Commission, in coordination with the promotion measures of "The Trillion NT Dollar Investment National Development Plan" and the "Asian Asset Management Center (AAMC) Plan", has guided and encouraged insurance industry funds to invest in public and society benefit undertakings. This amendment has expanded the scope of investments permitted for insurance industry funds, adjusted the Director syst procedures to enhance independence, relaxed the threshold amount applicable to direct investment execution and simplified related administrative procedures, and added subsequent management mechanisms for already approved investment cases.

Countermeasures:

The Loan Department and the Real Estate Department have incorporated the newly amended provisions into their departmental operation manuals accordingly. The Investment Management Department has also successively revised the "Regulations

Governing Use of Insurer's funds in Special Projects, Public Investments and Social Welfare Enterprises" and the "Checklist for Domestic Fund Utilization" and has submitted them to the Board of Directors meeting held in April 2026.

ad. Regulatory changes:

Directive Jin-Guan-Bao-(Tsai)-Zi No. 11404938682 was issued on October 28, 2025 by the Financial Supervisory Commission to approve and record the promulgation of the interpretive directive of Articles 2 and 7 of the "Regulations Governing Use of Insurer's funds in Special Projects, Public Investments and Social Welfare Enterprises". The directive took effect on October 30, 2025, and Directive Jin-Guan-Bao-Tsai-Zi No. 11404904513, dated March 26, 2025, was repealed on the same day.

Key amendments:

- (a) The scope of investments by the insurance enterprises in private stake funds has been expanded to include the government-approved infrastructure referred to in Article 2 of the "Regulations Governing Use of Insurer's funds in Special Projects, Public Investments and Social Welfare Enterprises".
- (b) A textual amendment has been made. With respect to the eligibility criteria for private stake funds, the word "applied" has been deleted from the phrase of "private stake funds that obtained a letter of qualification applied in accordance with 'Directions for the Counseling and Management of Private Equity Funds Investing in Industries Promoted by the National Development Council'".

Countermeasures:

After evaluation, the Equity Investment Department has amended the operations manual to add this directive and to simultaneously remove the directives that was abolished, and has implemented the relevant provisions in subsequent investment-related operations.

ae. Regulatory changes:

In order to align with the Roadmap for Adopting International Financial Reporting Standards (hereinafter "IFRS") Sustainability Disclosure Standards in Taiwan issued by the Financial Supervisory Commission, TWSE/TPEX listed companies are required, beginning with fiscal year of 2026, to apply the IFRS Sustainability Disclosure Standards in phases according to their amount of capital, and to disclose sustainability-related financial information prepared in accordance with the IFRS Sustainability Disclosure Standards in a dedicated chapter of their annual reports. Accordingly, the "Regulations Governing Information to be Published in Annual Reports of Public Companies" have been amended, and related interpretive orders have been issued by the Financial Supervisory Commission, i.e., Directives Jin-Guan-Cheng-Shen-Zi Nos. 11403851755 and 11403851756, etc.

Key amendments:

- (a) Beginning in the fiscal year of 2026, TWSE/TPEX listed companies with paid-in capital of NT\$10 billion or more were required to apply the sustainability disclosure standards and prepare sustainability-related financial information; they were required to file that information beginning in the fiscal year of 2027. Sustainability-related financial information approved by resolution of the Board of Directors shall be disclosed in a dedicated section of the annual report.
- (b) Annual reports of TWSE/TPEX list companies shall be filed concurrently with the financial reports for the same year. However, if the full annual report content has

not been prepared in time, they are permitted to first submit a dedicated chapter on sustainability-related financial information and thereafter submit the complete annual report in accordance with existing regulations.

- (c) Third-party assurance is required for the Scope 1 and Scope 2 greenhouse gas emissions of consolidated entities. However, if such assurance has not been obtained by the time of the annual report filing, the company is required to indicate this in the annual report and disclose on the Market Observation Post System the assured greenhouse gas emissions and upload the assurance report by the end of October of the same year. If the assured greenhouse gas emissions differs from the originally filed annual report information, the company is required to correct the filed information and explain the reasons for the differences. If the differences are material, the company is required to resubmit the matter to the Board of Directors for approval.
- (d) TWSE/TPEX listed companies shall apply the provisions of the Sustainability Disclosure Standards regarding Scope 3 greenhouse gas emissions information beginning with the fourth fiscal year after they first applied the Sustainability Disclosure Standards.

Countermeasures:

- (a) The Executive Office, the OSH & General Affairs Department, and the Accounting I Department have, in response to the recent regulatory amendments, specified that the Executive Office will serve as the coordinating unit for matters concerning sustainability-related financial information, annual reports, and related items. The Executive Office has also adjusted the operations manual accordingly to align with the timetable and disclosure methods published by the competent authorities.
- (b) The Executive Office, in order to comply with the IFRS Sustainability Disclosure Standards, has implemented the newly established "Mercuries Life Insurance Sustainability Risk and Opportunity Management and Operating Procedures of Information Disclosure".

af. Regulatory changes:

Presidential Decree Hua-Tsung-Yi-Ching-Zi No. 11400114521 was issued on November 11, 2025 to announce the amendment to the Personal Data Protection Act. The date of enforcement of the amendment is to be determined by the Executive Yuan.

Key amendments:

- (a) The amendment specifies that the competent authority of the Personal Data Protection Act is the Personal Data Protection Commission (hereinafter referred to as the PDPC). In the event of a personal data incident, in addition to notifying the personal data subjects, non-governmental agencies (enterprises) are required to report the incident to the PDPC, immediately implement emergency response measures, and preserve relevant records. Where an entity violated the relevant provisions concerning the content, method, or time limits of reporting, the response measures, or the preservation of records, the competent authority may impose fines and order corrections within a specified period; if corrections are not made by the deadline, penalties are imposed for each subsequent violation.
- (b) Administrative inspections will be led by PDPC in the future and may be carried out jointly with the central competent authorities responsible for the relevant

industries and with local governments; non-governmental agencies and related personnel shall not, without justifiable reason, evade, obstruct, or refuse these inspections.

- (c) Any person who is dissatisfied with an administrative disposition issued by the PDPC under this Act shall have direct recourse to administrative litigation remedies.

Countermeasures:

This matter has been referred to the Information Security Department for assessment and all units have been notified. The Information Security Department has assessed that current procedures have been carried out in accordance with regulations and that the recent regulatory change has no impact.

ag. Regulatory changes:

Letter Jin-Guan-Bao-Shou-Zi No. 1140433644 was issued on December 1, 2025 by the Financial Supervisory Commission to approve and record the amendment of the the "Regulations Governing Medical Insurance Products Linked to Specific Major Illnesses and Injuries" and to issue supporting measures.

Key amendments:

- (a) The amendment removes the requirement to display a warning in the design area of insurance application forms or to prepare a separate "Notice of Important Matters" in which the applicant personally has to write down "agree to insure" and signs. However, the relevant warning content shall still be indicated in the policy terms and in the product brochure.
- (b) The provision is to take effect six months after the date of approval and promulgation by the Financial Supervisory Commission. However, companies are permitted to apply it earlier.

Countermeasures:

According to replies from the Product Department and the Contract Department, the new insurance application form is scheduled to be officially adopted on May 1, 2026. The Marketing Department will also prepare informational materials and strengthen training for sales personnel to safeguard policyholders' rights.

ah. Regulatory changes:

Letter Jin-Guan-Bao-Shou-Zi No. 1140419731 was issued on December 9, 2025 by the Financial Supervisory Commission to approve and record the promulgation of the "Self-Discipline Rules for Digital Identity Verification by the Insurance Enterprises". The Rules took effect on January 1, 2026.

Key amendments:

- (a) The Financial Supervisory Commission's "Guidelines for Conducting Digital Identity Authentication by Financial Services Enterprises" (promulgated on October 24, 2023) and the "Guidelines for Financial Institutions on Security Control Operations for Rapid Identity Verification Mechanisms (Financial FIDO Security Guidelines)" (acknowledged by Financial Supervisory Commission with an official letter dated April 25, 2023) are conferred mandatory force in the form of self-regulatory standards (Article 25: Internal Control and Audit System; Article 26: Penalties).
- (b) According to the identity assurance mechanism specified in ISO 29115, the trust levels of digital identity authentication mechanisms are divided into four levels, from low to high. Companies shall have aligned the trust level of the authentication mechanism with the risk level of the application scenario.

- (c) Companies shall establish a risk management mechanism, including:
1. Periodically assess potential risks, threats, and vulnerabilities, and prepare reports.
 2. Implement appropriate information and communications security risk-control measures and establish operating procedures for handling digital identity fraud cases.
 3. Clarify and stipulate the responsibilities, rights, and obligations of all parties involved in digital identity verification operations.
 4. Establish standard procedures for grievance handling, including notification, handling, and remedial measures for situations such as identity verification mechanism failures and occurrences of unauthorized transactions.
 5. Provide training on digital identity verification.
 6. Establish an operational continuity and incident recovery plan.

(d) These Self-Discipline Rule took effect on January 1, 2026. Member companies are required to implement the related adjustment procedures. Adjustments shall be completed prior to the implementation date.

Countermeasures:

- (a) This matter is still under evaluation by the Digital Information Department, the Information Security Department, and the Operations Planning Department, as well as by frontline units whose service and application scenarios involved customer digital identity verification, including the Integrated Marketing Department, the Contract Department, the Claims Department, and the Policyholder Services Department.
- (b) Based on the current responses, the Company's service scenarios involving customer digital identity verification include online insurance applications, mobile (remote) insurance applications, online insurance services, and the Claims Alliance Chain. The Company has requested that each unit conduct thorough evaluations and has confirmed that risk management mechanisms for implementing digital identity verification has been established and incorporated into internal control and audit systems to effectively protect customer equity and to prevent fraud and misconduct.

ai. Regulatory changes:

Letter Jin-Guan-Bao-Tsai-Zi No. 1140434764 was issued on December 12, 2025 by the Financial Supervisory Commission to approve and record the amendment of "Self-Discipline Rules for the Appointment of Independent Directors in Public and Social Welfare Enterprises Invested by Insurance Enterprises".

Key amendments:

- (a) Article 146-5 of the Insurance Act stipulates that when insurers carries out investments in public and social welfare enterprises, and the number of insurer-appointed directors has reached a majority, the invested company is required to establish at least one seat of "independent director" that is not to be appointed solely by the insurer, thereby increasing the investee's flexibility in establishing an independent director.
- (b) The amendment has explicitly stipulated provisions governing concurrent service and the form of election for independent directors, and has published the amended "Checklist for Insurance Sector Nominating or Recommending Independent Directors in Investee Businesses", requiring that the checklist be retained on file for five years.

- (c)The amendment has explicitly stipulated that insurers shall periodically review whether the qualifications of the nominated or recommended independent director continue to comply with the regulations, and to clarify the allocation of responsibility for such reviews.

Countermeasures:

According to assessments and confirmations by the Real Estate Department, Equity Investment Department, and Investment Management Department, the Company's current fund-specific investment activities do not involve a situation in which insurance-industry-appointed director seats constitute a majority of the Board of Directors, and there is no impact on the Company at the moment. However, the Company plans to amend the operations manual and internal regulations to facilitate future compliance.

aj. Regulatory changes:

Directive Jin-Guan-Bao-Shou-Zi No. 11404946541 was issued on December 17, 2025 by the Financial Supervisory Commission to approve and record the amendment of Items 9, 10, 12, and the annex of Item 13 of the "Directions for Insurance Enterprises, Insurance Agent Companies and Insurance Broker Companies Engaging in Telemarketing Business".

Key amendments:

- (a)Prior to soliciting any insurance products, regardless of types of insurance products, telemarketing personnel shall provide the contract terms to the policy applicant for review.
- (b)Telephone telemarketing call recordings shall be logged and retained for five years after the insurance contract expired or for five years from the date on which non-coverage is confirmed.
- (c)If the policyholder does not complete the prescribed procedures for issuance or receipt of the policy, the matter is to be interpreted and handled in a manner favorable to the policyholder.
- (d)The annex of Item 13, in which the Telephone Marketing Operating Procedures concerning the mailing of insurance policies and the requirements for policy delivery and acknowledgment of receipt, is amended.

Countermeasures:

- (a)According to the evaluation and responses from the Integrated Marketing Department and the Contract Department, telemarketing has been fully subjected to the review-period provisions and complies with the amended statutory requirements. Additionally, because only rider sales are being made at present, the amended requirements for policy dispatch and policy receipt have no impact on sales operations.
- (b)However, the Integrated Marketing Department fails to assess the impact of this regulatory amendment on the established "Telephone Marketing Business Solicitation Handling System and Procedures" and the "Telephone Marketing Management Measures", and the business units shall be reminded to thoroughly review the relevant internal regulations and implement necessary adjustments.

ak. Regulatory changes:

Letter Jin-Guan-Bao-Tsai-Zi No. 11404948751 was issued on December 24, 2025 by the Financial Supervisory Commission to approve and record the amendment of the "Regulations Governing Capital Adequacy of Insurance Companies".

Key amendments:

- (a) The Insurance Capital Standard (ICS) at 100% is adopted as the capital adequacy standard, and the capital adequacy ratio for the "capital-deficiency" category is relaxed to 50%–100% (previously 75%–100%).
- (b) The scope of own capital and risk capital is amended, and insurers are required to calculate the risk capital for each category of risk in accordance with the provisions set forth in the calculation method.
- (c) Insurers shall establish mechanisms for self-assessment of risk and solvency, and shall, in accordance with the requirements of the competent authorities, report the results of such self-assessments and attach the related documentation within the prescribed timeframe.
- (d) The capital adequacy ratio that insurers are required to report on a semiannual basis is changed to be subject to "audit" by Certified Public Accountants.
- (e) Additionally, Directive Jin-Guan-Bao-Tsai-Zi No. 11404948752 issued by the Financial Supervisory Commission extends the deadline for the insurance industry to report the capital adequacy ratio and the net worth ratio for the years 2026–2028 by one month.

Countermeasures:

- (a) Pursuant to Article 5, Paragraph 1, Subparagraph 5 of the Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises, insurers are required to establish procedures for the operation and control of solvency assessment, which shall include an assessment of capital adequacy.
- (b) Aside from the Risk Management Department's completion of the revision of the "Capital Adequacy risk management Measures", the Actuarial I Department has been assessing the capital adequacy operational procedures in response to this regulatory amendment and is currently updating the department's operations manual

al. Regulatory changes:

Letter Jin-Guan-Bao-Tsai-Zi No. 11404375661 was issued on December 22, 2025 by the Financial Supervisory Commission to announce the "Schedule for Disclosure and Assurance (Verification) of Financed Carbon Emissions of Investment and Financing Portfolios (Scope 3) for Life Insurance Enterprises".

Key amendments:

The Financial Supervisory Commission has required the life insurance enterprises to phase in disclosure and assurance of Scope 3 financed carbon emissions in its investment and financing portfolios. The requirement is set to begin in 2028, with phased implementation based on capital size (NT\$10 billion or more; NT\$5–10 billion; less than NT\$5 billion). The Commission also require TWSE/TPEX listed companies and the parent companies of TWSE/TPEX listed companies to conduct investment and financing inventories and to disclose them pursuant to the IFRS Sustainability Disclosure Standards roadmap and the timetable set out in the Financial Supervisory Commission's Directive Jin-Guan-Cheng-Shen-Zi No. 11403851756 dated November 12, 2025. The suggested timetable for assurance (verification) of consolidated data is three years after disclosure so as to guide capital toward sustainable industries and to establish a comprehensive climate-risk management framework.

Countermeasures:

Following the evaluation by the Assets Allocation and Management Department, the existing operations related to Scope 3 have been stipulated in the internal regulation "Management Measures of Responsible Investment Standards". Thereafter, the Company will coordinate with the competent authorities' schedule to carry out disclosure and assurance (verification) matters. By then, the Executive Office will assist in compiling the disclosure and its announcement in accordance with applicable laws and regulations.

C. Pharmaceuticals

The business operation is faced with numerous laws and regulations. The pharmaceutical industry is more subject to the pharmaceutical laws and regulations, such as the Pharmaceutical Affairs Act and Pharmaceutical Good Manufacturing Practice Regulations. As the regulatory environment continues to change and improve, each department of SCI Pharmtech has designated personnel to be responsible for management of changes in laws and regulations. In addition, APIs are related to the quality of preparations, so the Ministry of Health and Welfare implements source management and continuously promotes policies related to API management to ensure that domestic API companies fully comply with PIC/S GMP standards, the Company shall review and follow it at any time.

D. Information services

Operating policies are handled in accordance with laws and regulations, pay attention to important domestic and foreign policy and law changes at any time, consult relevant experts when necessary, and take appropriate response measures. As of the date of publication of the annual report, there are no major events affecting the financial business due to domestic and foreign important policy and law changes.

(5) Changes in technology(Including information security risks) and industry, impact on the Company's finances and operations, and response measures:

A. Retail of daily commodities and food

The Company introduced new technology to update storefront POS systems, while developing in network sales, establishing ERP to integrate internal resources, and developing SCM systems to connect goods import, sales, warehousing, and payment operations with suppliers, and automation of logistics centers, so as to achieve effective reductions of inventory size and manual labor operations. The Company also established network phones to reduce communication costs, using technological advancements to further reduce management and operational costs while improving efficiency. As the Internet became ubiquitous in people's daily lives, cyber-attacks, ransomware, and theft of consumer personal or transactional data have become increasingly common. The Company has established information security policies, periodically reviews their effectiveness, and allocates a certain budget for information security measures to mitigate potential damage to operations and reputation caused by hacking activities. In addition to working with a well-known cybersecurity company in Taiwan to mitigate information security risks, we will also establish a dedicated staffed unit to strengthen information security and reduce risks.

B. Life insurance

Fintech and artificial intelligence (AI) technologies continue to evolve, and their applications are increasingly influencing industry operations and competitive dynamics. The Company continues to invest in the application of new technologies and talent development to respond to the rapidly changing competitive environment:

- a. Continued investment in insurance technology and digital services to provide diverse digital solutions for policyholders, sales personnel, and internal support staff, leveraging technology to enhance service quality and operational efficiency, and integrating technical resources from collaborating partners to increase operational efficiency of insurance product sales for both parties.
- b. Establish a next-generation core life insurance system, gradually upgrade the core system with new technologies and development platforms to enhance operational functions and system efficiency, improve cross-system and platform integration, and provide highly efficient system support for company operations.
- c. In the face of increasingly complex cybersecurity threats, we enhance the information system's security and availability through a multi-layered defense mechanism, which includes intrusion detection systems, intrusion prevention mechanisms, internal and external firewall protection, and reliable local and off-site backup mechanisms. We also conduct regular cybersecurity assessments and computer information security evaluations to maintain ISO27001 certification and comply with the Business Continuity Management (BCM) system. This improves the resilience of our information security, ensures the sustainable operation of the company, and safeguards the rights and interests of shareholders and customers.
- d. Implement well-developed and cost-effective AI application systems and RPA solutions to effectively enhance operational efficiency and reduce the likelihood of human error. Optimize workflows and improve operational efficiency through innovative technologies, while actively cultivating talent in emerging technologies to strengthen future application capabilities.
- e. In response to technological innovation and the resulting adjustments and additions in relevant laws and regulations, Mercuries Life Insurance complies with regulatory requirements and implements information security policies and risk management practices in accordance with the standards of the competent authority, thereby effectively managing operational risks.

Mercuries Life Insurance has been continuously investing in the development and application of information systems to maintain its competitiveness in the industry. There have been no major cybersecurity incidents in the past, so technological changes, including risks in information security and industry changes, have had no negative impact on the Company's financial operations.

C. Pharmaceuticals

Currently, changes in technology and industry have no impact on the Company's finances and operations. The Company has established policy to maintain overall information security, enhance security management of all information assets, ensure confidentiality, integrity, and availability, and prevent risks such as intentional or accidental threats or damages from internal or external sources that could compromise business information, including alteration, disclosure, destruction, or loss.

D. Information services

Excellent technical teams are sensitive to innovative technologies in the technology industry. They can fully grasp the market development trends to rapidly evaluate and respond to the impact of the Company's financial business, improve the professional execution capabilities and technologies of various products to enhance customer satisfaction and cohesion and ensure that technological changes have no significant impact on the Company's financial operations. The Company has established and implemented an information security management system and formulated information

security policies to ensure information security risk control. In addition to strengthening information security knowledge internally, the Company has also established an information security maintenance plan for information security risk management.

(6) Changes in the corporate image, impact on the Company's risk management, and response measures:

A. Retail of daily commodities and food

The Company has over 30 years of experience in the retail sector and continued to uphold an open and forward-looking corporate culture to provide consumers cheap and quality products and fulfill market requirements. We also attach great importance to customer feedback to sustain our positive corporate image. Recent efforts include the introduction of new business models to diversify products and services provided and to expand business scale. The Company has established the Emergency Response Task Force composed of members from various departments to promptly and effectively respond to contingencies and reduce business risks.

B. Life insurance

MLI has spent over 30 years developing a customer base, dedicated its entire effort to the primary business focus of insurance services, and actively participated in various social services and public charities, building and instilling a positive corporate image in the public.

Where incidents that may affect corporate image occur in the future, a third-party market surveillance company shall be first commissioned to evaluate the extent of damage to the image from the perspective of internal employees and external customers. Internal training shall also be used in tandem with external announcements to rebuild corporate image.

C. Pharmaceuticals

None.

D. Information services

Always upheld the business principles of professionalism and trust, actively strengthen the service quality of the Company by customer-oriented continuous deepening, strengthening and realizing quality awareness, improving the accuracy of delivery period, enhancing risk management, human resource streamlining and improving human resource quality, strengthening information security management and personal data protection and other measures, actively strengthen the trust of customers in the company and the crisis management awareness of the management team, to avoid the occurrence of crisis until the publication date of the annual report unforeseen crisis.

(7) Expected benefits and possible risks of mergers and response measures:

A. To expand its retail scale and enhance operating efficiency, Simple Mart Retail Co., Ltd. resolved at a Board of Directors meeting in January 2026 to acquire 100% of the shares of Lai Lai Convenience Stores Company. Furthermore, on March 13, 2026, Simple Mart Retail Co., Ltd. received non-prohibition clearance from the Fair Trade Commission for its combination with Lai Lai Convenience Stores Company, and the stock transfer registration was completed on March 27, 2026. The completion of the transaction is expected to have a positive impact on future operations.

a. Expected benefits: Expansion of economies of scale, increased revenue, and enhanced bargaining power in procurement.

b. Possible risks: Business integration and corporate cultural integration.

c. Response measures: Through comprehensive planning and supporting measures post merger, integrate business activities and personnel, and adjust

systems such as organizational structure and business management to reduce losses arising from integration friction and maximize synergies generated from the merger.

B. During the Interim Shareholders' Meeting on January 23, 2026, Mercuries Life Insurance Co., Ltd. approved of the share swap proposal with E.SUN Financial Holding Co., Ltd.

a. Expected benefits: After completing the share swap, Mercuries Life Insurance Co., Ltd. will become a wholly-owned subsidiary of E.SUN Financial Holding Co., Ltd., thereby expanding overall economies of scale, strengthening its capital base and enhancing competitiveness.

b. Possible risks: Business integration (personnel assignment, organizational structure, business management) risks.

c. Response measures: Through comprehensive planning and supporting measures post merger, integrate business activities and personnel, and adjust systems such as organizational structure and business management to reduce losses arising from integration friction and maximize synergies generated from the merger.

(8) Expected benefits and possible risks of expanding factory buildings and response risks:

A. Retail of daily commodities and food

Due to the frequent occurrence of food safety issues in recent years, the Company has expanded the central kitchen with a total estimated investment of approximately NT\$805 million mainly for production, processing, low-temperature freezing, and room temperature storage of raw materials.

a. Expected benefits: It is expected to increase the production capacity of prepared food kits, the self-production rate of meat products, meet the needs of takeaway business expansion and OEM production, and improve the quality of controlled products.

b. Possible risk: Suboptimal capacity utilization after the production line is put into operation will affect the profitability of the company's main businesses.

c. Responses: OEM work can be entrusted to develop take-out preparation package products, etc. to create additional sales performance for the company.

B. Life insurance

Due to the nature of the industry, MLI had no expansion of plants.

C. Pharmaceuticals

The main capital expenditures in 2025 were: Establishment of Guanyin plant.

a. Expected benefits:

Considering the growing demand in the pharmaceutical market and risks associated with a single factory, the decision was made to establish the Guanyin Factory to sustain long-term development momentum. The Guanyin Factory will introduce automated warehousing systems and packaging equipment with a higher level of smart technology than the Luzhu Factory. It is planned to build four production lines, with a maximum capacity equivalent to approximately 50% of the Luzhu Factory, and trial production is expected to begin in the second quarter of 2026.

b. Expected possible risks: Suboptimal capacity utilization after the production line is put into operation will affect the profitability of the company's main businesses.

c. Response Measures: Strengthen the business team, expand operational reach, expanding into Contract Development and Manufacturing Organization (CDMO) services and optimizing product portfolios to enhance profitability.

D. Information services

In 2025, there was no expansion of plants.

(9) Risks resulting from the concentration of purchases or sales and response measures:

A. Retail of daily commodities and food

The Company is a retailer and wholesaler of daily commodities and food. With the exception of alcohol products which were sold under monopoly, the sales of other products scattered extremely; therefore, there was no risk of concentrated purchases or sales.

B. Life insurance

MLI is a life insurance company and derives insurance income from the general public. Sales are not directed to any particular targets, meaning that there is no risk of concentrated sales. Due to the nature of the industry, MLI has no purchase.

C. Pharmaceuticals

Most suppliers and sales clients are long-term partners with close business relationships, posing a low risk. In 2025, the largest supplier accounted for 27.29% of total procurement value, representing a 30.07% decrease compared to 2024. The Company adjusted the types and quantities of raw material procurement based on production needs, resulting in a reduction of the largest supplier's total procurement value. In 2025, the largest sales client accounted for 16.29% of net revenue, representing an 18.03% decrease compared to 2024. The main reason is an increase in sales by other clients and a decrease in net sales by the largest client, resulting in the adjustment of the overall sales structure. The future goal is to reduce the revenue share of any single client to 10%.

D. Information services

a. Procurement: The Company is the sales agent of Hitachi financial automation equipment in Japan and is its exclusive distributor in Taiwan. Despite the procurement concentration, sales performance in Taiwan is remarkable. The entire financial automation product solution and maintenance base have strengthened the Company's long-term working relationship with the original manufacturer. The majority of the system integration industry is comprised of bid projects. Large-scale bidding projects usually have signed contracts with original suppliers, so there is no risk of excessive concentration.

b. Sales: Most of the sales are comprised of bid projects. Each procurement case is independent, and multiple groups of competing companies participate in the bids. Whether each procurement case can win the bid is out of the Company's full control, so there is no excessive sales concentration problem.

(10) Impacts, risks, and response measures pertaining to major equity transfer or replacement of Directors, Supervisors, or shareholders holding more than ten percent (10%) of the Company's shares: There was no major equity transfer in 2025.

(11) Impacts, risks, and response measures pertaining to changes in ownership: There was no change in ownership in 2025.

(12) Any litigious or non-litigious matters or administrative disputes up to the printing date of this annual report where the Company and its Directors, President, actual person in charge, and major shareholders holding more than 10% of the Company's shares, and affiliated companies that have been concluded by means of a final judgment or are still under litigation, to be a party thereof, and where the results thereof could materially affect

shareholders' equity or prices of the Company's securities, as well as the facts of the dispute, amount of money at stake, start date of litigation, and main parties to the litigation: This situation does not exist.

In addition, the Company and its directors, general manager, actual responsible persons, and major shareholders holding more than 10% of the shares have not been involved in any major litigation, non-litigation or administrative disputes that have been determined or are still under judgment.

(13) Other material risks and response measures:

Based on the business needs, each company established a series of stringent and appropriate information security measures to avoid information security incidents, such as hacking, personal information leakage, virus intrusion, and network abuse; and to reduce compensation, fines, and goodwill damage derived from the information security incidents. Each company reviewed information security policies, implemented information security assessments, organized information security exercises and training to ensure the appropriateness and effectiveness of information security mechanisms. With the rapid development of information security issues and hacking techniques, a robust protection system cannot guarantee the long-lasting and complete avoidance of information security risks of arbitrary attacks from any third parties. In addition, to assure the Company's sustainable operation, the information system structure includes the highly available remote host and data backup mechanisms based on the level of risk to ensure that services are uninterrupted; drills in the disaster backup system are also conducted from time to time to ensure the normal operation of the information system and reduce system interruption caused by unpredictable natural disasters and human neglect.

In 2025 and up to the date of publication of the Annual Report, no cyber-attacks or incidents that had a material adverse effect on the Company's business and operations took place, and the Company was not involved in any legal cases or regulatory actions arising therefrom.

The life insurance business has established the "Standard Operating Procedures for Handling Operational Anomalies" and "Crisis Management Measures" to effectively address potential operational crises, safeguard policyholder rights, and ensure normal company operations.

7. Other important issues: None

VI. Special Disclosure

1. Affiliated companies

(1) Consolidated business report of affiliated companies

1. Organization structure of affiliated companies (December 31, 2025)

Controlling Company	Affiliated Company	Shareholding Percentage	Affiliated Company	Shareholding Percentage	Affiliated Company	Shareholding Percentage
Mercuries & Associates Holding, Ltd.	Mercuries & Associates, Ltd.	100%	SCI Pharmtech Inc.	1.20%		
			Mercuries Leisure Co., Ltd.	6.75%		
			Simple Mart Retail Co., Ltd.	0.09%		
			Mercuries Life Insurance Co., Ltd.	2.12%		
			Sanhui Co., Ltd.	60.0%		
	Simple Mart Retail Co., Ltd.	60.77%	Simple Mart Plus Co., Ltd.(Note4)	100%		
			Sanyou Drugstores Ltd.(Note5)	75.50%		
			Simple Mart Investment Co., Ltd..	100%	Pet Wonderland Co., Ltd.	51%
			Lai Lai Convenience Stores Company(Note7)	100%		
	Mercuries Harvest Co., Ltd.	100%	Mercuries Leisure Co., Ltd.	0.93%		
			Mercuries Life Insurance Co., Ltd.	0.03%		
	Mercuries F&B Co., Ltd.(Note6)	57.87%	Mercuries Leisure Co., Ltd.	9.11%		
			Mercuries Life Insurance Co., Ltd.	0.22%		
			Mercuries F&B Consulting Co., Ltd.(Note6)	98.62%		
			Mercuries Food Services Japan Ltd.	100%		
Mercuries Life Insurance Co., Ltd.	31.13%					
Mercury Liquor & Food Co., Ltd.(Note1)	100%	Mercuries Life Insurance Co., Ltd.	2.35%			
		Mercuries Leisure Co., Ltd.	5.02%			
Mercuries Data Systems Ltd. (continued at Part 1)	47.37%	SCI Pharmtech Inc.	2.38%			
		Hipact Tech. Inc.(Note2)	0%	Mercuries Liquor& Food Japan Co., Ltd.	100%	
		Shang Rih Co., Ltd.	100%			
Mercuries General Media, Inc.	86.96%					
Mercuries Leisure Co., Ltd.	60.59%					
Hipact Tech. Inc.(Note2)	0%					
Mercuries Furniture Co., Ltd.	100%	Mercuries Life Insurance Co., Ltd.	0.20%			
SCI Pharmtech Inc.	29.78%	Yushan Pharmaceuticals, Inc.	100%			
M. T. I. CIGARS CO., LTD.(Note3)	0%					
Mercuries Insurance Agency	100%					
Sanyou Drugstores Ltd.(Note5)	24.50%					

1. Organization structure of affiliated companies - continued (December 31 2025)

Controlling Company	Affiliated Company	Shareholding Percentage	Affiliated Company	Shareholding Percentage	Affiliated Company	Shareholding Percentage
Mercuries Data Systems Ltd. (MDS)	Mercuries Data Systems International Ltd.	100%	Core Info Tech Limited (Hong Kong)	100%	Mercuries Soft (Nanjing) Ltd.	100%
	Mercuries Life Insurance Co., Ltd.	0.25%				
	Mercuries Information Systems International Co., Ltd.	100%				
	Hipact Tech. Inc.(Note2)	0%				
(continued at Part 1)						

Note1: Mercuries Liquor & Food Co., Ltd. and Mercury Fu Bao Co., Ltd. merged on January 1, 2025. Mercuries Liquor & Food Co., Ltd. is the surviving company and Mercury Fu Bao Co., Ltd. is the eliminated company. The change registration was completed on February 17, 2025.

Note2: Hipact Tech. Inc. has set October 31, 2024 as the dissolution date, and the liquidation was completed on March 15, 2025.

Note3: M. T. I. CIGARS CO., LTD. set July 31, 2025 as the base date for dissolution, and completed the dissolution registration on August 22, 2025.

Note4: The company's Chinese name was updated on June 20, 2025.

Note5: Sanyou Drugstores Ltd. conducted a cash capital increase of NT\$50 million. The benchmark date for the cash capital increase was January 14, 2026, and the change of capital increase registration was completed on February 14, 2026. After the capital increase, the shareholding ratios of the Company and Simple Mart Retail Co., Ltd. were 19.6% and 80.4%, respectively.

Note6: Mercuries F&B Co., Ltd. and Mercuries F&B Consulting Co., Ltd. have merged. The merger benchmark date was January 14, 2026. The change of registration was completed on February 14, 2026. After the merger, Mercuries F&B Consulting Co., Ltd. became a dissolved company.

Note7: On March 27, 2026, Simple Mart Retail Co., Ltd. acquired 100% of the shares of Lai Lai Convenience Stores Company, and completed the change of registration on April 30, 2026.

2. Basic information on affiliated companies

Unit: Thousand NTD

Company Name	Date of Incorporation (Year)	Address	Paid-in Capital	Primary Business or Products
Mercuries & Associates, Ltd.	January 27, 2015	B1 and 1F~18F, Section 2, Jianguo North Road, Taipei City	400,000	Domestic and international well-known brands of footwear, apparel and related accessories.
Simple Mart Retail Co., Ltd.	February 7, 2013	B1, No. 4, Section 3, Minquan East Road, Zhongshan District, Taipei City	675,000	Retail of daily commodities and food, alcohols, beverages, tobacco, daily necessities, cooked food, fresh foods, medical supplies (excluding Chinese medicine and Western medicine), infant products, as well as cosmetics and beauty products (excluding those with pharmaceutical effects).
Mercuries Harvest Co., Ltd.	September 4, 1990	11F, No. 145, Section 2, Jianguo North Road, Taipei City	90,000	Lease, purchasing, and sale of machinery and equipment.
Mercuries F&B Co., Ltd.	December 7, 1996	5F, No. 145, Section 2, Jianguo North Road, Taipei City	660,673	Retail business of fast food chains, including pizza, fried chicken, all kinds of noodles, rice, fried pork chops, and Japanese donburi.
Mercuries Life Insurance Co., Ltd.	June 12, 1993	1F, No. 58, Shitan Road, Neihu District, Taipei City	58,995,011	Personal insurance.
Mercuries Food Service Japan Ltd.	February 28, 2014	Room D, 2F, Tama-Plaza Center Building, 5-1-3, Utsukushigaoka, Aoba-ku, Yokohama-shi, Japan	JPY100 million	Retail of food and beverages.
Mercuries Data Systems Ltd.	December 9, 1976	4F-3, No. 2, Lane 150, Section 5, Xinyi Road, Taipei City	1,979,996	Purchasing, sale, processing, and installation of computer equipment.
Mercuries General Media, Inc.	November 18, 1988	2F, No. 145, Section 2, Jianguo North Road, Taipei City	48,300	Production and distribution of imported videos.
Mercuries Leisure Co., Ltd.	September 23, 1989	11F, No. 145, Section 2, Jianguo North Road, Taipei City	752,771	Recreational and entertainment.
Mercuries Liquor & Food Co., Ltd.	September 8, 2008	2F, No. 57, Wuquan Road, Wugu District, New Taipei City	2,467,600	Wholesale of tobacco, alcohol, food and beverages.
Mercuries Furniture Co., Ltd.	January 4, 2001	18F, No. 145, Section 2, Jianguo North Road, Taipei City	130,000	Furniture Retailing and Renovation
SCI Pharmtech Inc.	September 18, 1987	No. 61, Lane 309, Haihu North Road, Luzhu District, Taoyuan City	1,195,087	Processing, production, and sale of active pharmaceutical ingredients (APIs) and API intermediates
Mercuries Insurance Agency	November 28, 2008	12F-8, No. 2, Lane 150, Section 5, Xinyi Road, Taipei City	5,000	Insurance agency.
Simple Mart Plus Co., Ltd.	December 13, 2017	B1, No. 4, Section 3, Minquan East Road, Zhongshan District, Taipei City	60,000	Wholesale and retail of daily commodities and food.

Company Name	Date of Incorporation (Year)	Address	Paid-in Capital	Primary Business or Products
Mercuries Data Systems International Ltd.	August 1, 2000	British Virgin Islands	USD18.01 million	Investment holding.
Mercuries Information Systems International Co., Ltd.	April 13, 2010	4F-4, No. 2, Lane 150, Section 5, Xinyi Road, Xinyi District, Taipei City	3,000	Information software, hardware, and processing.
Shang Rih Co., Ltd.	May 25, 2009	2F, No. 57, Wuquan Road, Wugu District, New Taipei City	6,000	Wholesale of tobacco, alcohol, food and beverages.
Yushan Pharmaceuticals, Inc.	June 24, 2013	No. 61, Lane 309, Haihu North Road, Luzhu District, Taoyuan City	351,900	Research and development, production, and sale of APIs and formulations.
Core Info Tech Limited (Hong Kong)	August 23, 2000	29th Floor Wing On Centre 111 Connaught Road Central Hong Kong	USD18.1 million	Investment holding.
Mercuries Soft (Nanjing) Ltd.	December 26, 2002	No. 359, Jiangdong Zhong Road, Jianyou District, Nanjing City (10F, No. 1, Zone B, Guorui Daxia Building)	USD21 million	Development, production, and sale of computer software and mailing software; management of proprietary products; IT consultancy services.
Mercuries Liquor & Food Japan Co., Ltd.	June 1, 2018	2F, Tama-Plaza Center Building, 5-1-3, Utsukushigaoka, Aoba-ku, Yokohama-shi, Kanagawa, Japan	JPY7.5 million	Trade.
Mercuries F&B Consulting Co., Ltd.	February 14, 2019	5F, No. 145, Section 2, Jianguo North Road, Zhongshan District, Taipei City	65,000	Retail of food and beverages and consulting services.
Sanyou Drugstores Ltd.	August 22, 2002	B1, No. 4, Section 3, Minquan East Road, Zhongshan District, Taipei City	200,000	Cosmetics and beauty products (excluding those with pharmaceutical effects) & daily necessities.
Simple Mart Investment Co., Ltd.	June 6, 2024	B1, No. 4, Section 3, Minquan East Road, Zhongshan District, Taipei City	246,000	Investment.
Pet Wonderland Co., Ltd.	August 5, 2024	1st Floor, No. 138-10, Section 3, Wenxin Road, Ho Renli, Xitun District, Taichung City	15,000	Pet supplies wholesale and retail.
Sanhui Co., Ltd.	March 31, 2025	16F, No. 145, Section 2, Jianguo North Road, Zhongshan District, Taipei City	160,000	Domestic and international well-known brands of footwear, apparel and related accessories.
Lai Lai Convenience Stores Company	May 12, 1988	Basement 1, No. 131, Songde Road, Xinyi District, Taipei City	1,320,000	Retail of daily commodities and food, alcohols, beverages, tobacco, daily necessities, cooked food, fresh foods, medical supplies (excluding Chinese medicine and Western medicine), infant products, as well as cosmetics and beauty products (excluding those with pharmaceutical effects).

3. Overall business scope of every affiliated enterprises:

Company name	Primary Business or Products
Mercuries & Associates, Ltd.	Domestic and international well-known brands of footwear, apparel and related accessories.
Simple Mart Retail Co., Ltd.	Retail of daily commodities and food, alcohols, beverages, tobacco, daily necessities, cooked food, fresh foods, medical supplies (excluding Chinese medicine and Western medicine), infant products, as well as cosmetics and beauty products (excluding those with pharmaceutical effects).
Mercuries Harvest Co., Ltd.	Lease, purchasing, and sale of machinery and equipment.
Mercuries F&B Co., Ltd.	Retail business of fast food chains, including pizza, fried chicken, all kinds of noodles, rice, fried pork chops, and Japanese donburi.
Mercuries Life Insurance Co., Ltd.	Personal insurance.
Mercuries Food Service Japan Ltd.	Retail of food and beverages.
Mercuries Data Systems Ltd.	Purchasing, sale, processing, and installation of computer equipment.
Mercuries General Media, Inc.	Production and distribution of imported videos.
Mercuries Leisure Co., Ltd.	Recreational and entertainment.
Mercuries Liquor & Food Co., Ltd.	Wholesale of tobacco, alcohol, food and beverages.
Mercuries Furniture Co., Ltd.	Furniture Retailing and Renovation
SCI Pharmtech Inc.	Processing, production, and sale of active pharmaceutical ingredients (APIs) and API intermediates.
Mercuries Insurance Agency	Insurance agency.
Simple Mart Plus Co., Ltd.	Wholesale and retail of daily commodities and food.
Mercuries Data Systems International Ltd.	Investment holding.
Mercuries Information Systems International Co., Ltd.	Information software, hardware, and processing.
Shang Rih Co., Ltd.	Wholesale of tobacco, alcohol, food and beverages.
Yushan Pharmaceuticals, Inc.	Research and development, production, and sale of APIs and formulations.
Core Info Tech Limited (Hong Kong)	Investment holding.
Mercuries Soft (Nanjing) Ltd.	Development, production, and sale of computer software and mailing software; management of proprietary products; IT consultancy services.
Mercuries Liquor & Food Japan Co., Ltd.	Trade.
Mercuries F&B Consulting Co., Ltd.	Retail of food and beverages and consulting services.
Sanyou Drugstores Ltd.	Cosmetics and beauty products (excluding those with pharmaceutical effects) & daily necessities.
Simple Mart Investment Co., Ltd.	Investment holding.
Pet Wonderland Co., Ltd.	Pet supplies wholesale and retail.
Sanhui Co., Ltd.	Domestic and international well-known brands of footwear, apparel and related accessories.
Lai Lai Convenience Stores Company	Retail of daily commodities and food, alcohols, beverages, tobacco, daily necessities, cooked food, fresh foods, medical supplies (excluding Chinese medicine and Western medicine), infant products, as well as cosmetics and beauty products (excluding those with pharmaceutical effects).

4. Directors, supervisors, and general managers of affiliated enterprises

Unit: Thousand shares; % December 31, 2025

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding percentage
Mercuries & Associates, Ltd.	Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Feng	40,000	100%
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Li 、 Yang, Li-Yun		
	Supervisor	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Wang, Chih-Hua		
Simple Mart Retail Co., Ltd.	Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Feng	41,019	60.77%
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Li 、 Wong, Wei-Chyun 、 Chiu, Kuang-Lung		
	Director	Representative(s) of institutional shareholders of Shopnet Homesopping Co., Ltd.: Tai ,Chen-Chih 、 Tai ,Sung-Wen	10,400	15.41%
	Independent director	Lin, Tsay-Lin 、 Tsai, Meng-Lin 、 Chen, Tzu-Yun	0	—
	General Manager	Chiu, Kuang-Lung	1,667	2.47%
Mercuries Harvest Co., Ltd.	Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Feng	9,000	100%
Mercuries F&B Co., Ltd.	Chairman	Chen, Shiang-Feng	1,590	2.41%
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Li 、 Wong, Wei-Chyun	38,236	57.87%
	Independent director	Kao, Wei-Chuan 、 Chang, Yuan-Hsiao 、 Cheng , Chin-Pao 、 Chen, Kuan-Han	0	—
	General Manager	Chen, Shiang-Feng	1,590	2.41%
Mercuries Life Insurance Co., Ltd.	Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Wong, Chau-Shi	1,836,520	31.13%
	Vice Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Hsu, Ching-Hsin (Note1)	(Note1)415	0.01%
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd. : Wong, Wei-Chyun(Note1) 、 Tsai, Yong-Yi	(Note1)160	0%
	Director	Chen, Shiang-Li 、 Cheng ,Chun-Nong	0	—
	Director	Wang, Chih-Hua	1,260	0.02%
	Independent director	Henry Yang 、 Kuo, Wei-Yu 、 Tu, Te-chen 、 Liu, Han-Tsung	0	—
	General Manager	Chen, Hong-Sheng	4,017	0.07%
Mercuries Food Service Japan Ltd.	Director	Cheng, Hsuan-Hui	—	—
	Director	Kosaka Kenichi	—	—

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding percentage
Mercuries Data Systems Ltd.	Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Chung	93,799	47.37%
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Li 、 Tang, Te-Cheng(Note2) 、 Chen, Wen-Chu		
	Independent director	Shen, Shang-Hung 、 Chang, La-Shin 、 Liu, Shui-En 、 Chen, Kuan-Pai.	0	—
	General Manager	Chen, Shiang-Chung	619	0.31%
Mercuries General Media, Inc.	Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Li	4,200	86.96%
	Director	Representative(s) of institutional shareholders of NHK ENTERPRISE, INC.: SHIBATA YUJI	630	13.04%
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Lin,Chien-Hsiung 、 Wang, Chih-Hua 、 Chen, Shiang-Feng	4,200	86.96%
	Supervisor	Yang, Li-Yun	0	—
Mercuries Leisure Co., Ltd	Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Li	45,608	60.59%
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Feng 、 Wang, Chih-Hua		
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Li (Note1)	698	0.93%
	Supervisor	Yang, Li-Yun	0	—
Mercuries Liquor & Food Co., Ltd.	Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Feng	246,760	100%
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Li 、 Wang, Hsien-Chang		
	Supervisor	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Yang, Li-Yun		
Mercuries Furniture Co., Ltd.	Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Feng	13,000	100%
SCI Pharmtech Inc.	Chairman	Wong, Wei-Chyun	671	0.56%
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Hsu, Ching-Hsin 、 Chou, Wen-Chih	35,591	29.78%
	Director	Chen, Shiang-Li	0	—
	Independent director	Chang, Lan-Ching	0	—
	Independent director	Wang, Vincent	7	0.01%
	Independent director	Chen, Chia-Chun	0	—
	General Manager	Chou, Wen-Chih	75	0.06%

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding percentage
Mercuries Insurance Agency	Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Shiang-Chung	500	100%
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Shen, Kuo-cheng · Hsieh, Ming-Chin		
	Supervisor	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Yang, Li-Yun		
	General Manager	Chen, Po-An	0	—
Simple Mart Plus Co., Ltd.	Chairman	Representative(s) of institutional shareholders of Simple Mart Retail Co., Ltd.: Chen, Shiang-Feng	6,000	100%
	Director	Representative(s) of institutional shareholders of Simple Mart Retail Co., Ltd.: Chen, Shiang-Li · Chiu, Kuang-Lung		
	Supervisor	Representative(s) of institutional shareholders of Simple Mart Retail Co., Ltd.: Chen, Jui-Hsing		
Mercuries Data Systems International Ltd.	Director	Representative(s) of institutional shareholders of Mercuries Data Systems Ltd.: Ken S.C. Chen	—	100%
Mercuries Information Systems International Co., Ltd.	Chairman	Representative(s) of institutional shareholders of Mercuries Data Systems Ltd. (MDS): Chung, Cheng-Ping	300	100%
	Director	Representative(s) of institutional shareholders of Mercuries Data Systems Ltd. (MDS): Chen, Shiang-Chung · Tang, Te-Cheng		
	Supervisor	Representative(s) of institutional shareholders of Mercuries Data Systems Ltd. (MDS): Chen, Wen-Chu		
Shang Rih Co., Ltd.	Director	Representative(s) of institutional shareholders of Mercuries Liquor & Food Co., Ltd.: Chen, Shiang-Feng	—	100%
Yushan Pharmaceuticals, Inc.	Chairman	Representative(s) of institutional shareholders of SCI Pharmtech Inc.: Wong, Wei-Chyun	35,190	100%
	Director	Representative(s) of institutional shareholders of SCI Pharmtech Inc.: Hsu, Ching-Hsin · Chou, Wen-Chih		
	Supervisor	Representative(s) of institutional shareholders of SCI Pharmtech Inc.: Yang, Wen-Chen		
Core Info Tech Limited (Hong Kong)	Director	Representative(s) of institutional shareholders of Mercuries Data Systems International Ltd.: Ken S.C. Chen	—	100%
	Director	Representative(s) of institutional shareholders of Mercuries Data Systems International Ltd.: Chen, Wen-Chu		
Mercuries Soft (Nanjing) Ltd.	Chairman	Representative(s) of institutional shareholders of Core Info Tech Limited (Hong Kong): Chen, Shiang-Chung	—	100%
	Director	Representative(s) of institutional shareholders of Core Info Tech Limited (Hong Kong): Chen, Wen-Chu · Chung, Cheng-Ping · Hsieh, Hung-Hsiang · Tsai, Chung-Wei		
	Supervisor	Representative(s) of institutional shareholders of Core Info Tech Limited (Hong Kong): Hsu, Hsiao-Chi		
	General Manager	Hsieh, Hung-Hsiang		
Mercuries Liquor & Food Japan Co., Ltd.	Director	Wang, Chih-Hua	—	—

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding percentage
Mercuries F&B Consulting Co., Ltd.	Chairman	Representative(s) of institutional shareholders of Mercuries F&B Co., Ltd.: Chen, Shiang-Feng	6,410	98.62%
	Director	Representative(s) of institutional shareholders of Mercuries F&B Co., Ltd.: Lin, Chien-Hsiung		
	Director	Representative(s) of institutional shareholders of Inshokutenhanjoukai Co., Ltd.: KASAKA HAJIME	90	1.38%
	Supervisor	Yang, Li-Yun	0	—
Sanyou Drugstores Ltd.	Chairman	Representative(s) of institutional shareholders of Simple Mart Retail Co., Ltd.: Chiu Kuang-Lung	15,100	75.50%
	Director	Representative(s) of institutional shareholders of Simple Mart Retail Co., Ltd.: Chang, Tsung-Pen、Liu, Yen-Hsiu		
	Supervisor	Representative(s) of institutional shareholders of Mercuries & Associates Holding, Ltd.: Chen, Jui-Hsing	4,900	24.50%
Simple Mart Investment Co., Ltd.	Chairman	Representative(s) of institutional shareholders of Simple Mart Retail Co., Ltd.: Chen, Shiang-Feng	24,600	100%
	Director	Representative(s) of institutional shareholders of Simple Mart Retail Co., Ltd.: Chen, Shiang-Li、Chiu, Kuang-Lung		
	Supervisor	Representative(s) of institutional shareholders of Simple Mart Retail Co., Ltd.: Liu, Yen-Hsiu		
Pet Wonderland Co., Ltd.	Chairman	Representative(s) of institutional shareholders of Simple Mart Investment Co., Ltd.: Chiu, Kuang-Lung	765	51.00%
	Director	Representative(s) of institutional shareholders of Simple Mart Investment Co., Ltd.: Hsieh, Chung-Ping、Ye, Nian-Qing		
	Director	Representative(s) of institutional shareholders of Health International Marketing Group Co., Ltd.: Hong, Zhen-Ru	290	19.33%
	Director	Hung, Li-Chin	25	1.67%
	Supervisor	Liu, Yen-Hsiu、Ke, Ssu-Chieh	0	—
Sanhui Co., Ltd.	Chairman	Representative(s) of institutional shareholders of Mercuries & Associates Ltd.: Shen, Kuo-cheng	9,600	60%
	Director	Representative(s) of institutional shareholders of Mercuries & Associates Ltd.: Chen, Shiang-Feng		
	Director	Representative(s) of institutional shareholders of Welltop Co., Ltd.: Huang, Shih-Hsuan、Chang, Chieh Yuan	6,400	40%
	Supervisor	Chen, Te-Kai	0	—
Lai Lai Convenience Stores Company	Chairman	Representative(s) of institutional shareholders of Simple Mart Retail Co., Ltd.: Chiu Kuang-Lung	132,000	100%
	Director	Representative(s) of institutional shareholders of Simple Mart Retail Co., Ltd.: Chen, Shiang-Li、Chen, Shiang-Feng		
	Supervisor	Representative(s) of institutional shareholders of Simple Mart Retail Co., Ltd.: Chen, Jui-Hsing		

Note1: Legal representative's personal shareholding information.

Note2: Effective February 1, 2026, Chung, Cheng-Ping was appointed as the legal representative.

5. Business operating conditions of the affiliated enterprises

Unit: Thousand NT\$, Thousand US\$, Thousand JPY\$, December 31, 2025

Company name	Paid-in capital	Total assets	Total liabilities	Net value	Operating revenue	Net operating income (loss)	Profit (loss) before tax	EPS (after tax / NT\$)
Mercuries & Associates, Ltd.	400,000	3,907,270	2,966,110	941,160	3,920,940	126,675	143,974	3.60
Simple Mart Retail Co., Ltd.	675,000	5,796,299	3,803,124	1,993,175	13,922,806	184,450	144,264	2.14
Mercuries Harvest Co., Ltd.	90,000	139,168	153	139,015	0	(109)	2,609	0.29
Mercuries F&B Co., Ltd.	660,673	3,834,278	2,287,656	1,546,622	6,499,719	153,131	127,063	1.92
Mercuries Life Insurance Co., Ltd.	58,995,011	1,659,268,553	1,618,918,264	40,350,289	97,938,809	471,971	1,178,095	0.20
Mercuries Food Service Japan Ltd.	JPY100,000	22,295	7,518	14,777	14,642	(10,613)	(10,421)	-
Mercuries Data Systems Ltd.	1,979,996	7,012,910	3,722,497	3,290,413	6,493,861	360,008	302,600	1.53
Mercuries General Media, Inc.	48,300	118,951	10,647	108,304	33,706	12,398	11,293	2.34
Mercuries Leisure Co., Ltd	752,771	1,062,881	256,680	806,201	0	(3,428)	(1,044)	(0.01)
Mercuries Liquor & Food Co., Ltd.	2,467,600	2,830,699	212,673	2,618,026	716,583	15,833	42,669	0.17
Mercuries Furniture Co., Ltd.	130,000	661,243	630,644	30,599	1,109,277	10,097	14,782	1.14
SCI Pharmtech Inc.	1,195,087	6,976,862	1,582,380	5,394,482	1,343,720	154,246	107,374	0.90
Mercuries Insurance Agency	5,000	70,635	7,695	62,940	319,096	40,750	32,890	65.78
Simple Mart Plus Co., Ltd.	60,000	107,593	52,719	54,874	720,689	5,759	8,038	1.34
Mercuries Data Systems International Ltd.	USD 18,010	169,973	2,061	167,912	0	0	(2,629)	-
Mercuries Information Systems International Co., Ltd.	3,000	632	39	593	0	(220)	(216)	(0.72)
Shang Rih Co., Ltd.	6,000	7,249	14	7,235	0	0	(95)	-

Company name	Paid-in capital	Total assets	Total liabilities	Net value	Operating revenue	Net operating income (loss)	Profit (loss) before tax	EPS (after tax / NT\$)
Yushan Pharmaceuticals, Inc.	351,900	358,894	1,885	357,009	0	(796)	(7,943)	(0.23)
Core Info Tech Limited (Hong Kong)	USD 18,100	169,177	389	168,788	0	(692)	(2,637)	-
Mercuries Soft (Nanjing) Ltd.	USD 21,000	168,156	2,885	165,271	33,920	(3,356)	(1,971)	-
Mercuries Liquor & Food Japan Co., Ltd.	JPY7,500	17,892	10,937	6,955	57,509	(54)	(83)	-
Mercuries F&B Consulting Co., Ltd.	65,000	9,256	6,013	3,243	24,312	(9,685)	(10,144)	(1.56)
Sanyou Drugstores Ltd.	200,000	269,142	167,130	102,012	486,309	(38,582)	(41,952)	(2.10)
Simple Mart Investment Co., Ltd.	246,000	303,063	0	303,063	4,153	4,153	4,153	0.17
Pet Wonderland Co., Ltd.	15,000	273,683	156,166	117,517	423,930	9,345	7,139	4.76
Sanhui Co., Ltd.	160,000	249,139	100,021	149,118	116,869	(10,990)	(10,882)	(0.95)

6. Information on endorsements and guarantees, capital loans to other parties, and other derivative products for the affiliated enterprises

(1) Endorsements and guarantees for the affiliated enterprise: Refer to page 160-162 of this annual report.

(2) Capital loans of the affiliated enterprises: Refer to page 160-162 of this annual report.

(3) Derivatives trading of the affiliated enterprises: Refer to page 160-162 of this annual report.

(2) Consolidated financial statements of affiliated enterprises

Statement

We hereby state that for 2025 (from January 1, 2025 to December 31, 2025), the affiliated enterprises to be included for the consolidated financial statements of this Corporation according to the *Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprise* are the same as the companies to be included in the parent and subsidiary companies of the consolidated financial statement to be included according to the *International Financial Reporting Standards (IFRS) 10*. All information to be disclosed in the consolidated financial statement of affiliated enterprises have already been disclosed in the consolidated financial statement of the parent company and subsidiaries. Consolidated financial statements of affiliated enterprises were therefore not generated separately.

Company name: Mercuries & Associates Holding, Ltd.

Person in charge: Chen, Shiang-Li

March 13, 2026

Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprise above mentioned please refer to :

Index path : Market Observation Post System (MOPS) > Individual Company > Electronic Document Download > Affiliated Enterprises' Three Documents Section
https://mopsov.twse.com.tw/mops/web/t57sb01_q10.

2. Private placement of securities of the most recent year up to the publication date of this report printed: None.

3. Other items that must be included : None.

VII. Any event which has a material impact on the shareholders' equity or securities prices as prescribed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act that has occurred in the most recent year up to the printing date of this annual report:

No event having a material impact on shareholders' equity or securities prices has occurred to the Company in 2025 and up to the printing date of this annual report.

【Attachment 1】

**MERCURIES & ASSOCIATES HOLDING, LTD.
Procedures on the First Issuance and Conversion of Domestic Unsecured
Convertible Corporate Bond**

I. Bond name:

Mercuries & Associates Holding, Ltd., (hereinafter "the Company") First Issuance of Domestic Unsecured Convertible Corporate Bond (hereinafter "the Bond").

II. Issue date:

Jan. 25, 2021 (hereinafter "the Issue Date").

III. Issue amount:

Twenty-three thousand notes of the Bond are issued at par value of NT\$100,000 per note, NT\$2.3 billion in aggregate, priced at 100.5% of par value at issuance, with total issuance number at 23,000 notes.

IV. Issuance period:

Five years, from Jan. 25, 2021, to Jan. 25, 2026.

V. Coupon rate:

0% APR.

VI. Repayment:

Except those notes which the bondholders convert into ordinary shares of the Company pursuant to Article X of these Procedures or exercise the right to reverse repurchase pursuant to Article XIX thereof, or the notes which the Company redeems in advance pursuant to Article XVIII of these Procedures or otherwise buys back at securities firms, the Company shall repay the Bond upon maturity to the bondholders in cash, commensurate with the face values of the notes they hold.

VII. Guarantee:

The Bond is unsecured. After its issuance, however, if the Company issues, or privately places, other convertible corporate bonds or corporate bonds with warrants that are secured, the Bond shall be deemed to have the same claims and collateral rights as those pertaining to said secured bonds.

VIII. Conversion option:

Ordinary shares of the Company. The Company shall fulfill its conversion obligations by issuing new shares. New shares issued by conversion shall be delivered via book-entry transfer and not in printed form.

IX. Conversion period:

From Apr. 26, 2021, three months and one day after the Issue Date, to the Bond maturity date of Jan. 25, 2026, except during the periods from within 15 business days before transfer of stock or cash dividends or stock subscription for cash capital increase is terminated to the base date for settlement of equity distribution, or from the base date for capital reduction in exchange for shares to the day before trading resumes upon exchange for new shares, or from the date on which conversion for change of stock denomination is terminated to the date before trading of the newly denominated stock begins, or during any other periods in which trading of

the Company's stock is suspended by law, the Bondholders may request the Company at any time for conversion into the Company's ordinary shares pursuant to these Procedures; the Company shall proceed with the requests in accordance with Articles X, XI, XIII, and XV of these Procedures.

"The date on which conversion for change of stock denomination is terminated" as set forth in the foregoing paragraph refers to the business day before the date on which application to the Ministry of Economic Affairs for registration of the change is made. Four business days before it takes effect, the Company shall publicly announce any period in which conversion is suspended.

X. Conversion request procedure:

- (I) A holder of the Bond may go to the broker of original purchase to fill out an "Application for Conversion by Book-entry Transfer/Redemption/Reverse Repurchase of Convertible Corporate Bond" (selecting conversion). The broker will transmit the application to the Taiwan Depository & Clearing Corporation (hereinafter TDCC), who upon receipt of the Application will electronically notify the Company's agent for stock affairs. The conversion requested will be deemed in effect when the notification is received and may not be revoked subsequently. Conversion shall be completed within five business days of receipt of the notification, and the corresponding ordinary shares of the Company shall be transferred directly into the former bondholder's TDCC account.
- (II) Applications by overseas ethnic Chinese and foreign nationals for conversion of the Bond into the Company's ordinary shares shall likewise be handled through book-entry operations by TDCC.

XI. Conversion price and adjustment:

- (I) The base date used for the conversion price of the Bond is Jan. 15, 2021. The base price is selected from the simple arithmetic means of the closing prices for the Company's ordinary share at one business day, three business days, and five business days, respectively, before the base date. The Bond's conversion price is calculated by multiplying the base price by a 107.14% conversion premium rate (rounded to two decimal places). If there are ex-rights or ex-dividend before the base date, the respective equity or dividends shall be deducted from the closing prices so sampled to calculate the conversion price. If there are ex-rights or ex-dividend after the conversion price has been set and before the Issue Date, the conversion price shall be adjusted according to the conversion price adjustment formula set forth in Paragraphs (II) and (III) of this Article. Thus, based on the simple arithmetic means of the closing price for the Company's ordinary share at one business day before the base date, i.e., NT\$21.00 per share, the conversion price is set at NT\$22.50 per share.
- (II) Upon issuance of the Bond, except where convertible or warranted securities issued (or privately placed) by the Company are exchanged for ordinary shares, or where new shares are issued through capitalization of employee bonus, whenever there is an increase in the ordinary shares issued (and privately placed) by the Company (including, but not limited to, cash capital increase through public offering or private placement, capitalization of retained earnings, capitalization of capital surplus, issuance of new shares in connection with mergers or acquisitions or with acquisitions of other companies' shares, stock split, and cash capital increase for the issuance of overseas depository receipts), the Company shall adjust the conversion price for the Bond according to the following formula (only downward adjustment will be conducted; adjusted price rounded to two decimal places) and request the

stock exchange in writing to make a public announcement of the adjustment. The adjustment shall be made on the base date for ex-rights for issuance of new shares (Note 1), or on the base date for exchange for the newly denominated shares in the case of an increase in outstanding ordinary shares due to change of stock denomination.(The adjustment shall be made on the date on which payment of shares is complete in the case of actual payment operation.)

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \left(\frac{\text{Number of outstanding shares (Note 2)} + \left(\frac{\text{Contributions (per share (Note 3))} \times \text{Number of newly issued or privately offered shares}}{\text{Market price per share (Note 4)}} \right)}{\text{Number of outstanding shares} + \text{number of newly issued or privately offered shares}} \right)}{\text{Number of outstanding shares} + \text{number of newly issued or privately offered shares}}$$

Note 1: The adjustment shall be made on the date on which payment of shares is complete in the case of new shares issued for cash capital increase or cash capital increase for the issuance of overseas depository receipts; it shall be made on the base date for stock split in the case of stock split; it shall be made on the base date for the merger or acquisition in the case of merger or acquisition or acquisition of another company's shares for capital increase; and it shall be made on the date on which privately placed securities are delivered in the case of cash capital increase through private placement or increase of shares in the form of privately placed securities. If, after the base date for ex-rights for issuance of new shares for cash capital increase, the issue price for the new shares is changed, the conversion price shall be re-adjusted according to the aforementioned formula based on the issue price and the market price for the new shares (the base date for determining the new market price per share is the base date set by the Board for the determination of the issue price for the new shares). If the re-adjusted conversion price is lower than the conversion price that was adjusted and publicly announced prior to the base date for ex-rights, a request in writing shall be made to the stock exchange to make a public announcement again of the re-adjustment.

Note 2: The number of outstanding shares refers to the total number of ordinary shares issued to date (through public offering or private placement) minus the number of the treasury shares bought back by the Company that have not been cancelled or transferred.

Note 3: In the case of stock bonus or stock split, the contributions per share shall be zero. In the case of issuance of new shares for capital increase on merger, the contributions per share shall be computed by multiplying the net value per share of the dissolved company, calculated based on its most recent financial statements reviewed or audited by a CPA before the base date for the merger, by the share conversion ratio. In the case of issuance of new shares for acquisition of another company's shares, the contributions per share shall be computed by the net value per share of the company whose shares are being acquired, calculated based on its most recent financial statements reviewed or audited by a CPA, by the share conversion ratio.

Note 4: The market price per share shall be selected from the simple arithmetic means of the closing prices for the Company's ordinary share at one business day, three business days, and five business days, respectively, before the base date for ex-rights, the base date for price determination, the base date for stock merger or stock split, or the delivery date of the privately placed securities.

In case of change of stock denomination:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \text{Number of outstanding ordinary shares before change of stock denomination}}{\text{Number of outstanding ordinary shares after change of stock denomination}}$$

(III) Upon issuance of the Bond, whenever the Company distributes ordinary share cash dividends, it shall adjust to lower the conversion price on the base date for ex-dividend based on the dividend-to-market-price-per-share ratio and shall request the stock exchange in writing to make a public announcement of the conversion price after adjustment. The aforementioned provision for adjustment to the conversion price does not apply to the requests for conversion that are made before the base date (exclusive) for ex-dividend. The adjustment formula is as follows:

$$\text{Conversion price after adjustment} = \text{conversion price before adjustment} \times (1 - \text{ratio of the ordinary share cash dividend to the market price per share (Note)})$$

Note: The market price per share shall be selected from the simple arithmetic means of the closing prices for the Company's ordinary share at one business day, three business days, and five business days, respectively, before the date on which public announcement of ex-dividends is made for termination of the transfer of cash dividends.

(IV) Upon issuance of the Bond, whenever the Company issues (or privately places) other securities with ordinary share conversion or subscription right at a conversion or subscription price lower than the market price per share (Note 1), it shall adjust the conversion price for the Bond according to the following formula (only downward adjustment will be conducted; adjusted price rounded to two decimal places) and request the stock exchange in writing to make a public announcement of the adjustment. The adjustment shall be made on the issue date of said securities or stock option or the date of delivery of said privately placed securities.

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \left(\frac{\text{Number of outstanding shares (Note 2)} + \text{Conversion or subscription price for the newly issued (or privately placed) securities or stock option}}{\text{Number of the shares to which the newly issued (or privately placed) securities or stock option can be converted or subscribed}} \right)}{\text{Market price per share}}$$

Note 1: The market price per share is selected from the simple arrhythmic means of the closing prices for the Company's ordinary share at one business day, three business days, or five business days, respectively, before the base date for price determination for the subsequently issued (or privately placed) securities with ordinary share conversion or subscription right.

Note 2: The number of outstanding shares refers to the total number of ordinary shares issued to date through public offering or private placement minus the number of the treasury

shares bought back by the Company that have not been cancelled or transferred. If the newly issued (or privately placed) securities with ordinary share conversion or subscription right are funded by treasury shares, the number of shares to which the newly issued (or privately placed) securities can be converted or subscribed shall be deducted from the number of outstanding shares in the formula.

- (V) Upon issuance of the Bond, whenever there is a reduction in the number of the Company's ordinary shares not caused by capital decrease from cancellation of its treasury shares, the Company shall adjust the conversion price for the Bond, calculated according to the following formula (adjusted price rounded to two decimal places), and request the stock exchange in writing to make a public announcement of the adjustment. The adjustment shall be made on the base date for capital reduction, or where the reduction in the ordinary shares is due to change of stock denomination, on the base date for exchange for the newly denominated shares.

In case of capital reduction to offset loss:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \text{Number of outstanding ordinary shares before capital reduction (Note)}}{\text{Number of outstanding ordinary shares after capital reduction}}$$

In case of cash capital reduction:

$$\text{Conversion price after adjustment} = (\text{Conversion price before adjustment} - \frac{\text{Number of outstanding ordinary shares before capital reduction (Note)}}{\text{Number of outstanding ordinary shares after capital reduction}} \times \text{amount of cash refunded per share})$$

In case of change of stock denomination:

$$\text{Conversion price after adjustment} = \frac{\text{Conversion price before adjustment} \times \text{Number of outstanding ordinary shares before change of stock denomination}}{\text{Number of outstanding ordinary shares after change of stock denomination}}$$

Note: The number of outstanding shares refers to the total number of ordinary shares issued to date (through public offering or private placement) minus the number of the treasury shares bought back by the Company that have not been cancelled or transferred.

XII. Listing and de-listing of the Bond:

The Bond shall be applied to the stock exchange for listing on the Issue Date and shall be de-listed when it is converted into ordinary shares or bought back or redeemed by the Company in its entirety. The Company shall publicly announce listing and de-listing upon approval by the stock exchange.

XIII. Listing of new shares upon conversion:

Upon the date of delivery, the ordinary shares issued for conversion of the Bond shall be listed on the Taiwan Stock Exchange for trading. The Company shall publicly announce the matter upon approval by the Taiwan Stock Exchange .

XIV. Within 15 days after the end of each quarter, the Company shall publicly announce the number of shares issued in the last quarter from conversion of the Bond. It shall also apply for change of capital registration to the authority in charge of business registration at least once in a quarter.

XV. Conversion shall be into full shares. The Company shall pay in cash (rounded to the nearest integer) for any unconverted value that cannot be converted into a full share.

XVI. Right to annual cash or stock dividend:

(I) Cash dividend

1. If a request for conversion is made between the beginning of a given year and 15 business days (exclusive) before the date on which transfer of the Company's cash dividends is terminated in that year, the holder of the Bond may participate in the resolution at the annual shareholders' meeting of that year for the distribution of cash dividends for the previous year.
2. Conversion of the Bond shall be suspended between the start of 15 business days (inclusive) before the date on which transfer of the Company's cash dividends is terminated and the base date for ex-dividend in the same year.
3. If a request for conversion is made between the day after the base date for ex-dividend and December 31 (inclusive) of the same year, the holder of the Bond may not participate in the resolution at the annual shareholders' meeting of that year for the distribution of cash dividends for the previous year, but may participate in the resolution at the annual shareholders' meeting of the next year for the distribution of cash dividends for the current year.

(II) Stock dividend

1. If a request for conversion is made between the beginning of a given year and 15 business days (exclusive) before the date on which transfer of the Company's stock dividends is terminated in that year, the holder of the Bond may participate in the resolution at the annual shareholders' meeting of that year for the distribution of stock dividends for the previous year.
2. Conversion of the Bond shall be suspended between the start of 15 business days (inclusive) before the date on which transfer of the Company's stock dividends is terminated and the base date for ex-rights in the same year.
3. If a request for conversion is made between the day after the base date for ex-rights and December 31 (inclusive) of the same year, the holder of the Bond may not participate in the resolution at the annual shareholders' meeting of that year for the distribution of stock dividends for the previous year, but may participate in the resolution at the annual shareholders' meeting of the next year for the distribution of stock dividends for the current year.

XVII. Rights and obligations after conversion:

The rights and obligations pertaining to the new shares issued upon conversion are identical to those pertaining to the Company's ordinary shares.

XVIII. The Company's right to redeem the Bond

- (I) During the period from Apr. 26, 2021, (three months and one day after the Issue Date) to Dec. 16, 2025, (40 days before the maturity date) if the closing price for the Company's ordinary share has exceeded 130% (inclusive) of the concurrent conversion price for 30 business days, the Company may, within 30 business days thereafter, serve via registered mail a Notice of Redemption of Bond with 30-day notice (the 30-day period shall be effective on the date the notice is mailed, and the last day of 30-day period shall be the base date for redemption; however, the aforementioned period shall not be within

any of the periods in which conversion is suspended pursuant to Article IX of these Procedures) to the holders of the Bond (the Notice shall be mailed to the persons listed on the register of bondholders as of the fifth business day before mailing; the Notice shall be served via public announcement as to the investors who subsequently acquire the Bond via trading or other means). The Company shall pay in cash to redeem, at its par value, the Bond in its entirety and request in writing the stock exchange to make public announcement of the redemption. The Company shall exercise its right to redeem within five business days after the base date for redemption and pay in cash to redeem, at its par value, all of the outstanding notes of the Bond.

(II) During the period from Apr. 26, 2021, (three months and one day after the Issue Date) to Dec. 16, 2025, (40 days before the maturity date) if the outstanding amount of the Bond is less than 10% of the Issue Amount, the Company may, thereafter at any time, serve via registered mail a Notice of Redemption of Bond with 30-day notice (the 30-day period shall be effective on the date the notice is mailed, and the last day of 30-day period shall be the base date for redemption; however, the aforementioned period shall not be within any of the periods in which conversion is suspended pursuant to Article IX of these Procedures) to the holders of the Bond (the Notice shall be mailed to the persons listed on the register of bondholders as of the fifth business day before mailing; the Notice shall be served via public announcement as to the investors who subsequently acquire the Bond via trading or other means). The Company shall pay in cash to redeem, at its par value, the Bond in its entirety and request in writing the stock exchange to make public announcement of the redemption. The Company shall exercise its right to redeem within five business days after the base date for redemption and pay in cash to redeem, at its par value, all of the outstanding notes of the Bond.

(III) If a holder of the Bond fails to respond in writing to the Company's agent for stock affairs before the base date for redemption as specified in the Notice of Redemption of Bond (the response shall be effective upon receipt, or if mailed, on the date it is postmarked), the Company shall, within five business days after the base date for redemption, pay in cash to redeem, at its par value, all of the notes of the Bond held by the bondholder.

XIX. Bondholders' right to reverse repurchase:

The base date for the holders of the Bond to reverse repurchase the Bond is Jan. 25, 2024, the third anniversary of the Issue Date. Forty days before the base date for reverse repurchase, the Company shall serve via register mail a Notice of Right to Put Bond to the bondholders (the Notice shall be mailed to the persons listed on the register of bondholders as of the fifth business day before mailing; the Notice shall be served via public announcement as to the investors who subsequently acquire the Bond via trading or other means) and request in writing the stock exchange to make public announcement of the bondholders' right to reverse repurchase. The bondholders opting to reverse repurchase shall notify the Company's agent for stock affairs in writing within 40 days to the base date for reverse repurchase (the notice shall be effective upon receipt, or if mailed, on the date it is postmarked) to request the Company to redeem, in cash, the notes of the Bond in the bondholders' possession at the par value thereof plus interest payment (i.e., 100.75% of the face value after three years, calculated at 0.25% yield). Upon receipt of the request to reverse repurchase, the Company shall redeem the Bond in cash within five business days after the base date for reverse repurchase. If the last day of the aforementioned period is not a business day for the stock exchange, it shall be extended to the next business day.

XX. All of the notes of the Bond recovered (including those bought back at the securities firms), redeemed, or converted by the Company shall be cancelled along with the conversion right attached thereto and shall not be sold or reissued.

- XXI. The Bond and the ordinary shares converted therefrom are both registered. Their transfer, change registration, pledge, and loss, etc., shall be handled according to the " Regulations Governing the Administration of Shareholder Services of Public Companies " and the relevant provisions of the Company Act. Anything related to them in terms of tax shall be handled according to the contemporary tax laws.
- XXII. The Department of Trusts of the Hua Nan Commercial Bank, Ltd., is the Trustee for holders of the Bond. It shall represent the interest of the bondholders and exercise the power to audit and supervise matters related to the Company's issuance of the Bond. Any holders of the Bond, whether through subscription at issuance or subsequent purchase, agree to the provisions of the trust indenture entered into between the Company and the Trustee and the rights and obligations of the Trustee specified therein, and to the provisions of the Procedures on the First Issuance and Conversion of Domestic Unsecured Convertible Corporate Bond, and to grant power of attorney to the Trustee in matters related to the trust. Said power of attorney may not be rescinded once in effect. The bondholders may review the contents of the trust indenture any time during business hours at the Company or at the business place of the Trustee.
- XXIII. The payment of the principal and interest and matters related to conversion of the Bond shall be delegated to the Company's agent for stock affairs.
- XXIV. The Bond is issued not in printed form according to the provisions of Article 8 of the Securities and Exchange Act.
- XXV. Any matters relating to the Bond's issuance and conversion not specified in these Procedures shall be governed by the pertinent laws and regulations.

Mercuries & Associates Holding, Ltd.

Chairman: Chen, Shiang-Li