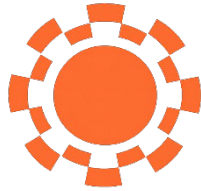


Stock Code: 9802



Fulgent Sun International (Holding) Co., Ltd.

Annual Report 2025



Fujian Sunshine
Footwear Co., Ltd.



Fulgent Sun
Footwear Co., Ltd.



Sunny Footwear Co., Ltd.



Hubei Sunsmile
Footwear Co., Ltd.



Lin Wen Chih Sunbow
Enterprises Co., Ltd.



NGOC HUNG
Footwear Co., Ltd.



Eversun Footwear Co., Ltd.



Sunglory Footwear Co., Ltd.



PT. SUN BRIGHT LESTARI



Capital Concord Enterprises Limited Taiwan Branch (Operation Location)

Market Observation Post System: <http://mops.twse.com.tw>

Company Website: <http://www.fulgentsun.com>

Printed on April 15, 2026

I. Addresses and Telephone Numbers of Head Office, Subsidiaries, and Branches

(I) Head Office: Fulgent Sun International (Holding) Co., Ltd. TEL: (886)5-551-4619
Address: PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands

(II) Subsidiaries and Branches

Subsidiaries in Hong Kong

Capital Concord Enterprises Limited TEL: (886)5-551-4619
Address: 5F, Dah Sing Life Building, 99-105 Des Voeux Road Central, Hong Kong

Taiwan branch of the Hong Kong subsidiary

Capital Concord Enterprises Limited Taiwan Branch (H.K.) TEL: (886)5-551-4619
Address: No.76, Section 3, Yunke Road, Douliu City, Yunlin County, Taiwan

Subsidiaries in Taiwan

Medao Trading Co., Ltd. TEL: (886)5-551-4619
Address: No.76, Section 3, Yunke Road, Douliu City, Yunlin County, Taiwan

Laya Technology Co., Ltd. TEL: (886)5-551-4619
Address: No.76, Section 3, Yunke Road, Douliu City, Yunlin County, Taiwan

Subsidiaries in China

Fujian Sunshine Footwear Co., Ltd. TEL: (86)595-2206-1931
Address: Shuangyang Subdistrict, Luojiang District, Quanzhou City, Fujian Province, China

Sunny Footwear Co., Ltd. TEL: (86)597-681-9399
Address: Datong Industrial Park, Tengfei Economic Development Zone, Changting County, Longyan City, Fujian Province, China

Hubei Sunsmile Footwear Co., Ltd. TEL: (86)710-286-3991
Address: Shenzhen Industrial Park at No. 1, Shenzhen Avenue, Xiangyang City, Hubei Province, China

Fujian Laya Outdoor Products Co., Ltd. TEL: (86)595-2206-1931
Address: Shuangyang Overseas Chinese Farm (Yangshan Community), Luojiang District, Quanzhou City, Fujian Province, China

Subsidiaries in Vietnam

Fulgent Sun Footwear Co., Ltd. TEL: (84)221-397-2520
Address: Lot L5, Pho Noi B Textile & Garment Industrial Park, Duong Hao Ward, Hung Yen Province, Vietnam

NGOC HUNG Footwear Co., Ltd. TEL: (84)321-378-9188
Address: Luong Dien Industrial Cluster, Cam Giang Commune, Hai Phong City, Vietnam

Eversun Footwear Co., Ltd. TEL: (84)226-396-7188
Address: Hamlet 2 An Noi, Binh An Commune, Ninh Binh Province, Vietnam

Sunglory Footwear Co., Ltd. TEL: (84)226-396-7188
Address: Dong Phong Industrial Cluster, Dong Quan Commune, Hung Yen Province, Vietnam

Subsidiary in Cambodia

Lin Wen Chih Sunbow Enterprises Co., Ltd. TEL: (885)01-2998391
Address: 24.5km, National Highway 2, Kandal Province, Cambodia

Lin Wen Chih Sunstone Enterprises Co., Ltd. TEL: (885)01-2998391
Address: 24.5km, National Highway 2, Kandal Province, Cambodia

Lin Wen Chih Sunlit Enterprises Co., Ltd. TEL: (885)01-2998391
Address: 24.5km, National Highway 2, Kandal Province, Cambodia

Lin Wen Chih Sunzeal Enterprises Co., Ltd. TEL: (885)01-2998391
Address: 21km, National Highway 44, Kompong Speu Province, Cambodia

Subsidiary in Indonesia

PT. SUN BRIGHT LESTARI TEL: (021)300-50-238
Address: Singakerta (Jalan Raya Indramayu - Cirebon), Tegal Watu 018, Kelurahan Dukuhjati, Kecamatan Krangkeng, Kabupaten Indramayu 45284, Indonesia

II. Name, Address, Website, and Contact Number of Stock Transfer Agency

Name: Transfer Agency Department, CTBC Bank Co., Ltd. TEL: (886)2-6636-5566
 Address: 5F, No. 83, Section 1, Chongqing South Road, Website: <https://www.ctbcbank.com>
 Zhongzheng District, Taipei City

III. Name of Certified Public Accounts for the Latest Financial Statements, and Name, Address, Website, and Contact Number of Accounting Firm

Certified Public Accountant: Hua-Ling, Liang and Yu-Chuan, Wang
 Accounting Firm: Pricewaterhouse Coopers (PwC) Taiwan TEL: (886)2-2729-6666
 Address: 27F, No. 333, Section 1, Keelung Road, Taipei City Website: <http://www.pwc.tw>

IV. Name of Overseas Securities Exchange and Inquiry of Overseas Securities: N/A**V. Company Website: <http://www.fulgentsun.com>****VI. Board of Directors List**

Title	Name	Nationality	Education and Work Experience
Chairman	Wen-Chih, Lin	ROC	Bachelor of Chemical Engineering, Feng Chia University President, Fulgent Sun International (Holding) Co., Ltd. Chairman, Fulgent Sun International (Holding) Co., Ltd. Chief Strategy Officer, Fulgent Sun Group
Director	Fang-Chu, Liao	ROC	Bachelor of International Trade, Chinese Culture University Vice President of Sales, Fulgent Sun International (Holding) Co., Ltd. President, Fulgent Sun Group Chief Executive Officer, Fulgent Sun Group
Director	Chih-Cheng, Liao	ROC	Doctoral Program in Industrial Management, National Yunlin University of Science and Technology (Ph.D. candidate) Master in Finance, National Yunlin University of Science and Technology Assistant Manager of Sales, First Commercial Bank Executive Vice President, Fulgent Sun Group Spokesperson, Finance Supervisor and CGO, Fulgent Sun Group
Independent Director	Jin-Huang, Huang (Note 1)	ROC	Ph.D. in Mechanical Engineering, Northwestern University Chair of Department of Mechanical and Computer-Aided Engineering, Feng Chia University Dean of College of Engineering and Science, Feng Chia University Vice President, Director of Office of Industry-Academia Cooperation, Chair Professor, Feng Chia University
Independent Director	Chun-An, Li (Note 1)	ROC	Ph.D. in Business Administration, National Chengchi University Dean of College of Finance and Banking, National Kaohsiung University of Science and Technology Certified Public Accountant of Chun-An, Li Accounting Firm Honorary Professor of Department of Finance, National Yunlin University of Science and Technology
Independent Director	Chun-Ming, Wu (Note 1)	ROC	Bachelor of Accounting, Soochow University Senior Vice President of Corporate Financing, Capital Securities Corp. President, Zhanteng Venture Capital Consulting Co., Ltd. President, Query Investment Co., Ltd.

Title	Name	Nationality	Education and Work Experience
Independent Director	Shu-Ching, Chou	ROC	PhD in Business Administration, National Sun Yat-Sen University MBA Pennsylvania State University Bachelor of Accounting, National Chengchi University Chair and Professor, Department of Finance, National Yunlin University of Science and Technology
Independent Director	Hui-Ying, Wang	ROC	Supplementary Open Junior College for Business Administration, National Cheng Kung University Manager of Kaohsiung Branch and Luzhu Branch, Senior assistant manager and director of Kaohsiung Regional Center, senior assistant and director of Tainan Regional Center, First Commercial Bank
Independent Director	Neng-Shu, Yang (Note 2)	ROC	Ph.D. in Industrial Engineering, Pennsylvania State University President, Vice President, Dean of Academic Affairs, Dean of Student Affairs, and Director of Industrial Management Department at National Yunlin University of Science and Technology Associate Professor at Department of Industrial and Systems Engineering, Chung Yuan Christian University Assistant Research Fellow at Mechanical Section, Food Industry Research and Development Institute
Independent Director	Feng-Tsung, Cheng (Note 2)	ROC	PhD in Industrial Engineering and Management, National Yang Ming Chiao Tung University Professor and Department Director of Department of Industrial Engineering and Systems Management, Feng Chia University Director of Personnel Office at Feng Chia University Research Professor of Smart Machinery Development Center (SMDC), Feng Chia University
Independent Director	Chien-Hsun, Wen (Note 2)	ROC	Master, College of Communication, National Chengchi University Supervisor for small and medium stock trading at International Bills Finance Corporation Assistant Manager, Taiwan Stock and Greater China Investment Department, Yuanta Funds CEO of Blackstone PR Consultant Co., Ltd.

Note 1: Independent Directors Jin-Huang, Huang, Chun-An, Li, and Chun-Ming, Wu stepped down upon the expiration of their terms on May 28, 2025.

Note 2: Independent Directors Neng-Shu, Yang, Feng-Tsung, Cheng, and Chien-Hsun, Wen took office on May 28, 2025.

VII. Names, Titles, Contact Number, and E-mail of the Company's Spokesperson and Deputy Spokesperson

Spokesperson: Chih-Cheng, Liao
Title: Executive Vice President
TEL: (886)5-551-4619
E-mail: service@fulgentsun.com

Deputy Spokesperson: Chien-Chao, Hung
Title: CFO
TEL: (886)5-551-4619
E-mail: service@fulgentsun.com

VIII. Names, Titles, Contact Number, and E-mail of Litigation and Non-litigation Agent in the Republic of China

Name: Chih-Cheng, Liao
Title: Executive Vice President

TEL: (886)5-551-4619
E-mail: service@fulgentsun.com

Fulgent Sun International (Holding) Co., Ltd.

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This English translation is prepared in accordance with the Chinese version and is for reference purpose only. If there is any inconsistency between the Chinese version and the English translation, the Chinese version shall prevail.

I. Report to the Shareholders

Dear shareholders, we hereby present the report on the summary of the 2025 annual operating performance and future outlook as follows:

1. Operating results of previous year

Despite numerous disruptions caused by exchange rate fluctuations and tariff issues, Fulgent Sun International (Holding) Group demonstrated strong resilience in 2025. Consolidated sales reached NT\$17.30 billion, representing a budget achievement rate of over 95%. Gross profit reached NT\$3.16 billion, operating profit amounted to NT\$1.59 billion, all of which surpassed 2024 levels. Income before income tax was NT\$1.58 billion, net income attributable to owners of the parent was NT\$1.21 billion and earnings per share after tax was NT\$6.05 (first half reached NT\$2.76, second half amounted to NT\$3.29), slightly lower than the full year of 2024, primarily due to the impact of non-operating foreign exchange valuation. Excluding this impact, the EPS of the core business was approximately NT\$5.96 in 2024 and grew to NT\$6.43 in 2025, indicating that the Group's core business operations have become increasingly stable due to improved management efficiency.

Adhering to its "multi-brand order-taking" strategy, the Group has provided OEM mass production services for more than 50 brand customers. The top 3 brands account for over 50% of the Group's total revenue, the top 10 for over 80%, and the top 20 for over 90%, effectively diversifying the risk associated with single-customer concentration. In 2025, its production bases in Vietnam, Cambodia, China, and Indonesia accounted for 65.86%, 21.45%, 12.51%, and 0.18%, respectively. Regarding revenue by sales region (designated destinations for brand customers), the Greater Europe remains the primary contributor at 43.14%, followed by the Greater Americas at 38.72% (with the United States accounting for 29.06%), and the Greater Asia at 17.01%.

The Company continues to refine its hardware and software equipment and actively increases its R&D investment, which increased by 6.29% compared to 2024. This has accelerated the diversification of the Company's production bases; for example, the newly established plants in Vietnam and Indonesia officially commenced trial production in the second half of 2025. Notably, to meet customer needs and provide a more solid foundation of integrity and commitment, both Fujian Sunshine Footwear Co., Ltd. and Hubei Sunsmile Footwear Co., Ltd. in mainland China have successively obtained ISCC certification. Through the use of sustainable materials, they are committed to promoting energy conservation and carbon reduction, ensuring compliance with international market requirements for environmentally friendly products, and moving towards the goal of environmental sustainability.

2. Summary of this year's business plan and future company development strategy

Looking ahead to the 2026 economic and trade situation, global uncertainties such as trade barriers and geopolitics remain, but decision-making logic has returned to rationality to some extent. According to the latest forecast from the International Monetary Fund (IMF) in early 2026, the global economic growth rate for 2026 will be revised upward to 3.3%, an indication that the global economy is entering a new phase of transformation and gradual recovery after a cycle of inflation and interest rate hikes. Given the Group's positive outlook on future production and sales trends, if the global economy continues to improve, it is optimistic that overall operations this year will see a slight increase compared to last year, and that sales volume is expected to rise by 16.01% from last year's 23,144 thousand pairs. To this end, the Group will enhance its long-term value and ensure its competitive advantage and sustainable development by optimizing multinational production capacities, implementing AI applications, refining core R&D technologies, focusing on high-value-added products, deepening its multi-brand strategy, aligning with international sustainability standards, and strengthening investor relations.

In terms of capacity expansion, the Company expects to accelerate the optimization of its global capacity allocation strategy and continue expanding its production and sales scale. By flexibly leveraging its diverse production bases in Vietnam, Cambodia, China, and Indonesia, the Group aims to provide brand customers with a more resilient and flexible supply chain commitment. While expanding production capacity, the following key measures will be implemented: deepening the intelligent manufacturing layout from traditional automation to intelligent and human-machine collaboration; upgrading software and hardware through the replacement of outdated equipment; providing education, training, and practical application of "AI (Artificial Intelligence)"; formally introducing "AI Agent" technology into practical work, especially in production scheduling optimization, big data analysis, and cybersecurity mechanisms; continuously leveraging diverse external resources to enhance innovation capabilities; establishing a smart factory with adaptability, resource efficiency, and human factors engineering; and through data-driven decision-making, precisely improving the production efficiency and yield of each plant area, thereby consolidating the Group's diverse competitive advantages in the footwear industry through technological prowess.

In terms of market expansion, our management team upholds the core values of "Integrity, Speed, Quality, and Innovation," adheres to the spirit of "Ethics, Wisdom, Diligence, and Perseverance," and continues our multi-brand order-taking operation with the business theme of "Courageous and Resolute Action, Rejuvenating Our Glory." Regarding our strategy of deepening cooperation with existing leading international brands, we will leverage our outstanding R&D and mass production capabilities to enhance collaboration synergy. In particular, our newly developed internationally-renowned brands have already shown initial success. In the future, through flexible order-taking strategies and expansion into emerging markets, we are committed to becoming the most trusted long-term ally for our global brand clients.

In terms of ESG and environmental sustainability, we are committed to a low-carbon operating strategy and comprehensively enhance the green competitiveness of our products throughout their lifecycle by deepening our energy management plan and expanding the application of environmentally friendly and sustainable materials. This not only ensures that our production processes strictly comply with current environmental regulations; furthermore, the Company invests in water recycling technology to significantly reduce our environmental footprint. Furthermore, our company has proactively adopted the “IFRS Sustainability Disclosure Standards” to establish a deep link between sustainable information and financial reporting, thereby strengthening the Group's climate resilience and industrial transformation capabilities. At the "Corporate Governance" level, the Company will focus on optimizing its internal control and management structure to ensure that all decision-making mechanisms comply with international standards. Information transparency is the cornerstone of trust in the capital market; therefore, we will continue to enhance the quality of information disclosure, uphold business integrity, and improve investor confidence through tangible governance results, creating long-term value together.

3. Affected by the external competitive environment, regulatory environment and overall business environment

Retrospectively, the Group has experienced many international financial system risks since the establishment in 1995, such as the Asian financial crisis in 1998, the global financial tsunami in 2008, the European debt crisis in 2012, the Sino-US trade war in 2018, and the outbreak of COVID-19 pandemic in early 2020, but the Group had managed to respond to many external changes and challenges pragmatically and accurately, and had striven to turn crises into opportunities. Although the revenue slightly declined in 2024 due to the uncertainty of the global macroeconomy, performance in 2025 surmounted early uncertainties regarding US import tariffs. As the tariff situation clarified and management efficiency continued to improve, revenue for 2025 reached the second-highest level in the Company's history. Earnings per share (EPS) exceeded NT\$6 for the fifth consecutive year. Despite the volatile macroeconomic environment, the Group's business performance remained stable and demonstrated outstanding financial resilience.

As a member of the capital market, our company deeply understands that sound corporate governance is the cornerstone of sustainable operation. We always regard "Coexistence, Co-prosperity, and Common Good" as our core value, and are committed to pragmatically ensuring the long-term appreciation of shareholders' equity, and transforming sustainable results into tangible social value. With a transparent and efficient profit model, we return the profits to our long-term shareholders and transform them into more competitive compensation and security for our employees, making the Group's growth a stable force driving social progress and sustainable prosperity.

Finally, we would like to express our heartfelt gratitude to all our shareholders for the deep trust, professional guidance, and warm encouragement you have shown the Group over the years. This support has been our greatest source of motivation as we navigate the volatile market, and the management team remains committed to upholding integrity and honesty, striving to meet every expectation with solid business performance. On this occasion, we sincerely wish all shareholders and your families good health, peace, and happiness. May we move forward together to witness the Group's next milestone of excellence.

Sincerely,

Chairman Wen-Chih, Lin

II. Company Profile

1. Date of Incorporation: The Company was established on November 24, 2009.

2. Company History

Year	Important Chronicle
1994	Capital Concord Enterprises Limited was established in December as a controlling company of shareholders' investment in China.
1995	In March, Fujian Sunshine Footwear Co., Ltd. was established to produce and export sports shoes and outdoor shoes as an OEM.
1996	In August, Quanzhou Sunrise Footwear Co., Ltd. was established to produce and sell sports shoes and outdoor shoes as an OEM in China.
2000	With capacity for production of waterproof outdoor shoes, as certified by GORE-TEX.
2003	In January, Fulgent Sun Footwear Co., Ltd. was established to produce outdoor shoes as an OEM. In August, Fujian Sunshine Footwear Co., Ltd. became a member of SATRA and its certified laboratory. In the same year, Fujian Sunshine Footwear Co., Ltd. passed the ISO9001 quality system certification and further received its certificate in January, 2004.
2005	September, Sunny Footwear Co., Ltd. was established to produce sports shoes and outdoor shoes as an OEM.
2007	In June, Fujian Sunflower Footwear Co., Ltd was established to laminate the vamps of sports shoes and outdoor shoes.
2009	In June, Hubei Sunsmile Footwear Co., Ltd. was established to produce sports shoes and outdoor shoes as an OEM. In October, Fujian Laya Outdoor Products Co., Ltd. was established to trade shoe materials within the Group and to plan the agency and distribution of sporting goods in China. In November, Fulgent Sun International (Holding) Co., Ltd. (the Company) was established in Cayman Islands to apply for listing in Taiwan and restructure. In the same year, the Company acquired Capital Concord Enterprises Limited, and Capital Concord Enterprises Limited acquired Fulgent Sun Footwear Co., Ltd. and established the Taiwan Branch to process imported materials.
2010	In April, Laya Max Trading Co., Ltd. was established to act as agent for sporting goods in Taiwan. In September, Laya Outdoor Products Limited was established in Hong Kong; in January 2011, Laya Outdoor Products Limited formed a strategic alliance with La Sportiva (Hong Kong) Limited to establish Fujian La Sportiva Co., Ltd., which acts as agent for outdoor shoes and clothes of La Sportiva to expand domestic market in China.

Year	Important Chronicle
2011	In April, the head office was established in Yunlin County, Taiwan. The Group restructured. And in May, it merged Quanzhou Sunrise Footwear Co., Ltd. and Fujian Sunflower Footwear Co., Ltd. into Fujian Sunshine Footwear Co., Ltd.
2012	In June, Fulgent Sun International (Holding) Co., Ltd. was approved by the review committee of the Listing Department of Taiwan Stock Exchange Corporation, and went to public in Taiwan Stock Exchange in October.
2013	In December, Lin Wen Chih Sunbow Enterprises Co., Ltd. was established in Cambodia to produce and sell sports shoes and outdoor shoes; Lin Wen Chih Sunstone Enterprises Co., Ltd was established to produce and sell clothes; Lin Wen Chih Sunbow Enterprises Co., Ltd. invested in Lin Wen Chih Sunlit Enterprises Co., Ltd. to undertake land leases.
2015	In February, NGOC HUNG Footwear Co., Ltd. was established to produce sports shoes and outdoor shoes as an OEM. In June, Fulgent Sun International (Holding) Co., Ltd. was selected in “Taiwan Corporate Governance 100 Index.”
2016	In August, NGOC HUNG Footwear Co., Ltd. was certified by GORE-TEX for producing waterproof outdoor shoes.
2019	In November, Fulgent Sun International (Holding) Co., Ltd. was selected to the “MSCI Taiwan Small Cap Index.”
2020	In April, Fulgent Sun International (Holding) Co., Ltd was awarded the Top 6%~20% Enterprises in the Six Corporate Governance Appraisal by TWSE. In July, Fulgent Sun International (Holding) Co., Ltd was reviewed by Taiwan Index Plus Corporation and included in “Taiwan Corporate Governance 100 Index.”
2021	In April, Fulgent Sun International (Holding) Co., Ltd was awarded the Top 6%~20% Enterprises in the Seventh Corporate Governance Appraisal by TWSE. In August, Eversun Footwear Co., was established in Vietnam, OEM production of sportswear and outdoor footwear. In October, Fulgent Sun International (Holding) Co., Ltd was reviewed by Taiwan Index Plus Corporation and included in “TAIEX+ Small/Mid-Cap Alpha Momentum 50 Index.” In December, PT. SUN BRIGHT LESTARI was established in Indonesia to produce and sell shoes.
2022	In April, Fulgent Sun International (Holding) Co., Ltd was awarded the Top 6%~20% Enterprises in the Eighth Corporate Governance Appraisal by TWSE. In August, Laya Chemical Engineering Co., Ltd. was established in Taiwan to produce and sell shoes material and equipment.
2023	In February, Lin Wen Chih Sunzeal Enterprises Co., Ltd was established in Cambodia to produce and sell shoes. In April, Fulgent Sun International (Holding) Co., Ltd was awarded the Top 6%~20% Enterprises in the Ninth Corporate Governance Appraisal by TWSE.

Year	Important Chronicle
2023	In May, Sunlory Footwear Co., Ltd. was established in Vietnam to produce and sell shoes.
2024	In October, Wisquare Enterprise Limited was established in Hong Kong. In January, Laya Chemical Engineering Co., Ltd. has been registered from Limited Company to Company Limited by Shares. In April, Fulgent Sun International (Holding) Co., Ltd was awarded the Top 6%~20% Enterprises in the tenth Corporate Governance Appraisal by TWSE. In June, Laya Technology Co., Ltd. has been registered from Laya Chemical Engineering Co., Ltd.
2025	In April, Fulgent Sun International (Holding) Co., Ltd was awarded the Top 6%~20% Enterprises in the eleventh Corporate Governance Appraisal by TWSE. In May, 100% of the equity interests in Medao Trading Co., Ltd. were acquired to engage in import and export trading.

3. Group Structure: Please refer to page 146, VII. 1. (1) Organizational chart of affiliated companies.

4. Risk Issues: Please refer to pages 142~145, VI. 6. Risk Issues.

III. Corporate Governance Report

1. Information on Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches

(1) Directors and Supervisors

A. Directors

As of March 28, 2026; Unit: Thousand Shares; %

Title	Nationality or County of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shares Held when Elected		Shares Currently Held		Currently Held by Spouse and Minor		Shares Held in the Name of Others		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives, Directors or Supervisors who Are Spouses or within Second Degree of Kinship			Remark
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Chairman	ROC	Wen-Chih, Lin	M/71	2025/5/28	3 Years	2009/11/24	5,018	2.50	5,018	2.50	26,746 (Note 1)	13.31	26,022 (Note 1)	12.95	Bachelor of Chemical Engineering, Feng Chia University President, Fulgent Sun International (Holding) Co., Ltd.	CSO, Fulgent Sun Group Chairman, Capital Concord Enterprises Limited Chairman, Fujian Sunshine Footwear Co., Ltd. Chairman, Sunny Footwear Co., Ltd. Chairman, Hubei Sunsmile Footwear Co., Ltd. Chairman, Fulgent Sun Footwear Co., Ltd. Chairman, Fujian Laya Outdoor Products Co., Ltd. Chairman, Lin Wen Chih Sunbow Enterprises Co., Ltd. Chairman, Lin Wen Chih Sunstone Enterprises Co., Ltd. Chairman, Lin Wen Chih Sunlit Enterprises Co., Ltd. Chairman, NGOC HUNG Footwear Co., Ltd. Chairman, Eversun Footwear Co., Ltd. Chairman, PT. SUN BRIGHT LESTARI Chairman, Laya Technology Co., Ltd. Chairman, Lin Wen Chih Sunzeal Enterprises Co., Ltd. Chairman, Sunglory Footwear Co., Ltd. Chairman, Medao Trading Co., Ltd.	President	Fang-Chu, Liao	Spouse	Note 3
Director	ROC	Fang-Chu, Liao	F/70	2025/5/28	3 Years	2013/6/21	2,327	1.16	2,327	1.16	31,040 (Note 2)	15.44	24,419 (Note 2)	12.15	Bachelor of International Trade, Chinese Culture University Vice President of Sales, Fulgent Sun International (Holding) Co., Ltd.	President, Fulgent Sun Group CEO, Fulgent Sun Group Director, Capital Concord Enterprises Limited Director, Fujian Sunshine Footwear Co., Ltd. Director, Sunny Footwear Co., Ltd. Director, Hubei Sunsmile Footwear Co., Ltd. Director, Fulgent Sun Footwear Co., Ltd. Director, Fujian Laya Outdoor Products Co., Ltd. Director, Lin Wen Chih Sunbow Enterprises Co., Ltd. Director, Lin Wen Chih Sunstone Enterprises Co., Ltd. Director, NGOC HUNG Footwear Co., Ltd. Director, Eversun Footwear Co., Ltd. Director, PT. SUN BRIGHT LESTARI Supervisor, Laya Technology Co., Ltd. Director, Lin Wen Chih Sunzeal Enterprises Co., Ltd.	Chairman	Wen-Chih, Lin	Spouse	Note 3
																President's Executive Assistant	Hui-Yi, Lin (Note 4)	Within first degree of kinship		

Title	Nationality or County of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shares Held when Elected		Shares Currently Held		Currently Held by Spouse and Minor		Shares Held in the Name of Others		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives, Directors or Supervisors who Are Spouses or within Second Degree of Kinship			Remark
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Director	ROC	Chih-Cheng, Liao	M/54	2025/5/28	3 Years	2016/6/15	409	0.20	409	0.20	-	-	-	-	Doctoral Program in Industrial Management, National Yunlin University of Science and Technology (Ph.D. candidate) Master in Finance, National Yunlin University of Science and Technology Assistant Manager of Sales, First Commercial Bank	Spokesperson, Fulgent Sun Group Executive Vice President, Fulgent Sun Group Finance Supervisor, Fulgent Sun Group CGO, Fulgent Sun Group Director, Capital Concord Enterprises Limited Director, Sunny Footwear Co., Ltd. Director, Hubei Sunsmile Footwear Co., Ltd. Director, Fulgent Sun Footwear Co., Ltd. Director, Lin Wen Chih Sunbow Enterprises Co., Ltd. Director, Lin Wen Chih Sunstone Enterprises Co., Ltd. Director, NGOC HUNG Footwear Co., Ltd. Director, Lin Wen Chih Sunzeal Enterprises Co., Ltd.	-	-	-	-
Independent Director	ROC	Shu-Ching, Chou	F/60	2025/5/28	3 Years	2022/5/27	-	-	-	-	-	-	-	-	PhD in Business Administration, National Sun Yat-Sen University MBA Pennsylvania State University Bachelor of Accounting, National Chengchi University Chair of Department of Finance, National Yunlin University of Science and Technology Accounting and Financial Manager of Gdstek Co., Ltd. Senior Associate, Audit Department, KPMG Taiwan	Professor, Department of Finance, National Yunlin University of Science and Technology	-	-	-	-
Independent Director	ROC	Hui-Ying, Wang	F/72	2025/5/28	3 Years	2022/5/27	-	-	-	-	-	-	-	-	Supplementary Open Junior College for Business Administration, National Cheng Kung University Manager of Kaohsiung Branch and Luzhu Branch, Senior assistant manager and director of Kaohsiung Regional Center, senior assistant and director of Tainan Regional Center, First Commercial Bank	Legal Representative and Director of Fuding Asset Management Co., Ltd. Independent Director, Dong Fang Offshore Co., Ltd.	-	-	-	-
Independent Director	ROC	Neng-Shu, Yang	M/70	2025/5/28	3 Years	2025/5/28	-	-	-	-	-	-	-	-	Ph.D. in Industrial Engineering, Pennsylvania State University President, Vice President, Dean of Academic Affairs, Dean of Student Affairs, and Director of Industrial Management Department at National Yunlin University of Science and Technology Associate Professor at Department of Industrial and Systems Engineering, Chung Yuan Christian University Assistant Research Fellow at Mechanical Section, Food Industry Research and Development Institute	None	-	-	-	-

Title	Nationality or County of Registration	Name	Gender /Age	Date Elected	Term	Date First Elected	Shares Held when Elected		Shares Currently Held		Currently Held by Spouse and Minor		Shares Held in the Name of Others		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives, Directors or Supervisors who Are Spouses or within Second Degree of Kinship			Remark
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Independent Director	ROC	Feng-Tsung, Cheng	M/75	2025/5/28	3 Years	2025/5/28	-	-	-	-	-	-	-	-	PhD in Industrial Engineering and Management, National Yang Ming Chiao Tung University Professor and Department Director of Department of Industrial Engineering and Systems Management, Feng Chia University Director of Personnel Office at Feng Chia University Director at Footwear & Recreation Technology Research Institute	Research Professor of Smart Machinery Development Center (SMDC), Feng Chia University Independent Director, Mosa Industrial Corporation	-	-	-	-
Independent Director	ROC	Chien-Hsun, Wen	M/49	2025/5/28	3 Years	2025/5/28	-	-	-	-	-	-	-	-	Master, College of Communication, National Chengchi University Supervisor for small and medium stock trading at International Bills Finance Corporation Assistant Manager, Taiwan Stock and Greater China Investment Department, Yuanta Funds Senior Manager of Research Department, KGI Investment Advisory Chief at Securities Section, Editing Department of Economic Daily News	CEO of Blackstone PR Consultant Co., Ltd. Secretary-general of Friends of Hong Kong and Macao Association Consultant for PharmaEssentia Corp.	-	-	-	-

Note 1: Shares are held indirectly through the custodial account (LASPORTIVA INT'L CO., LTD.) used by CTBC Bank; shares held by the spouse Fang-Chu, Liao include those held by the spouse and those held indirectly through the custodial account (MEINDL INT'L CO., LTD.) used by CTBC Bank.

Note 2: Shares are held indirectly through the custodial account (MEINDL INT'L CO., LTD.) used by CTBC Bank; shares held by the spouse Wen-Chih, Lin include those held by the spouse and those held indirectly through the custodial account (LASPORTIVA INT'L CO., LTD.) used by CTBC Bank.

Note 3: The President and the Chairman are spouses. Both the Chairman and President own diverse experiences in functions of shoe sectors. Moreover, President Liao has taken considerably important role in previous daily operation performance for years and also controls the future operation execution in reality, who is qualified as the most ideal candidate for president. In addition, to enhance the Board of Directors' oversight functions, the Company increased the number of independent director seats from three to five starting with the fifth Board of Directors. Currently, independent directors account for 63% of the total board seats, and a majority of the directors do not concurrently serve as employees or managers.

Note 4: Hui-Yi, Lin was promoted from Group Operations Vice President to President's Executive Assistant on January 1, 2026.

B. Supervisors: as the Company has set the Audit Committee, there is no supervisor.

C. Principal shareholder of corporate shareholder: The directors and independent directors of the Company are not representatives of corporate shareholder, and therefore it doesn't apply.

D. Professional Qualification of Directors and Information Disclosure of the Independence of Independent Directors:

Criteria Name	Professional Qualification and Experience (Note 1)	Independence (Note 2)	Taking a concurrent position as the independent director in other TWSE/TPEX Listed Companies
Wen-Chih, Lin	Work experience in commerce, finance, accounting, corporate operations, and operational judgment required capacity. Worked as the Group President. No circumstance stated in the subparagraphs of Article 30 of the Company Act.	-	-
Fang-Chu, Liao	Work experience in commerce, finance, accounting, corporate operations, and operational judgment required capacity. Worked as the Group Vice President of Sales. No circumstance stated in the subparagraphs of Article 30 of the Company Act.	-	-
Chih-Cheng, Liao	Work experience in commerce, finance, accounting, and operational judgment required capacity. Worked as the Assistant Manager of Sales, First Commercial Bank. No circumstance stated in the subparagraphs of Article 30 of the Company Act.	-	-
Shu-Ching, Chou	Work experience as lecturer in the finance related departments of public and private universities and colleges. Worked as the Chair and Professor of the Department of Finance, National Yunlin University of Science and Technology. No circumstance stated in the subparagraphs of Article 30 of the Company Act.	Independent director, complying with independence, including but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not holding any company shares; not a director, supervisor or employee of the Company with specific relation to the Company; not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in the recent 2 years: None.	-

Criteria Name	Professional Qualification and Experience (Note 1)	Independence (Note 2)	Taking a concurrent position as the independent director in other TWSE/TPEX Listed Companies
Hui-Ying, Wang	<p>Work experience in finance and accounting.</p> <p>Worked as the Manager of Kaohsiung Branch and Luzhu Branch, Senior assistant manager and director of Kaohsiung Regional Center, senior assistant and director of Tainan Regional Center, First Commercial Bank.</p> <p>No circumstance stated in the subparagraphs of Article 30 of the Company Act.</p>	<p>Independent director, complying with independence, including but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not holding any company shares; not a director, supervisor or employee of the Company with specific relation to the Company; not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in the recent 2 years: None.</p>	1
Neng-Shu, Yang	<p>Work experience as lecturer in corporate operations related departments of public and private universities and colleges.</p> <p>Worked as the President, Vice President, Dean of Academic Affairs, Dean of Student Affairs, and Director of Industrial Management Department at National Yunlin University of Science and Technology.</p> <p>No circumstance stated in the subparagraphs of Article 30 of the Company Act.</p>	<p>Independent director, complying with independence, including but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not holding any company shares; not a director, supervisor or employee of the Company with specific relation to the Company; not a professional that provides commercial, legal, financial, accounting or consultation services to the Company or to any affiliated company for any remuneration in the recent 2 years.</p>	-

Criteria Name	Professional Qualification and Experience (Note 1)	Independence (Note 2)	Taking a concurrent position as the independent director in other TWSE/TPEX Listed Companies
Feng-Tsung, Cheng	<p>Work experience as lecturer in corporate operations related departments of public and private universities and colleges.</p> <p>Worked as the Professor and Department Director of Department of Industrial Engineering and Systems Management, Feng Chia University.</p> <p>No circumstance stated in the subparagraphs of Article 30 of the Company Act.</p>	<p>Independent director, complying with independence, including but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not holding any company shares; not a director, supervisor or employee of the Company with specific relation to the Company; not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in the recent 2 years: None.</p>	1
Chien-Hsun, Wen	<p>Work experience in commerce, and operational judgement required capacity.</p> <p>Worked as the Supervisor for small and medium stock trading at International Bills Finance Corporation, Assistant Manager, Taiwan Stock and Greater China Investment Department, Yuanta Funds, Senior Manager of Research Department, KGI Investment Advisory, and Chief at Securities Section, Editing Department of Economic Daily News.</p> <p>No circumstance stated in the subparagraphs of Article 30 of the Company Act.</p>	<p>Independent director, complying with independence, including but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not holding any company shares; not a director, supervisor or employee of the Company with specific relation to the Company; not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in the recent 2 years: None.</p>	-

Note 1: Professional Qualification and Experience: Describe the professional qualification and experience of the individual director and supervisor. If the director is a member of the Audit Committee with expertise in accounting or finance, describe the accounting or financial background and work experience of the director. Additionally, explain any circumstances in the subparagraphs of Article 30 of the Company Act, when applicable.

Note 2: The compliance of independence for independent directors includes but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not the natural-person, spouse and relative of second-degree kinship (or under other's name) who holds the shares of the Company and with certain weight; Not a director, supervisor or employee of the Company with specific relation to the Company (refer to Refer to Article 3, Item 1, Paragraph 5~8 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in recent 2 years.

E. Board diversity and independence:

- (A) Board diversity: The Company has established a diversity policy on the formation of the Board members in the “Corporate Governance Best-Practice Principles,” in which all members are equipped with the necessary knowledge, skills, and moral fiber to carry out their responsibilities.
- a. The Company adopted the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and developed a diversified approach in Chapter III, "Strengthening the Functions of the Board". The nomination and selection of the members of the Board of Directors of the Company shall, in accordance with the provisions of the Articles of Association, adopt a system of nomination of candidates, in addition to assessing the qualifications of the candidates for their studies and taking into account the views of interested parties, to comply with the “Regulations for the Election of Directors and Independent Directors” and “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” in order to ensure diversity and independence of the directors.
 - b. The Company set up eight directors, three of the Board members are female. Apart from the female members, Wen-Chih, Lin, Fang-Chu, Liao, Chih-Cheng, Liao, Shu-Ching, Chou, and Hui-Ying, Wang are good at finance and accounting with decision-making ability. Wen-Chih, Lin, Fang-Chu, Liao, Chih-Cheng, Liao, Neng-Shu, Yang, and Chien-Hsun, Wen are good at business management. Wen-Chih, Lin, Fang-Chu, Liao, Chih-Cheng, Liao, and Feng-Tsung, Cheng are good at industry knowledge. Neng-Shu, Yang, Feng-Tsung, Cheng, and Chien-Hsun, Wen are good at decision-making.
 - c. The ratio of directors as concurrent employees of the Company is 3/8 and the ratio of independent directors is 5/8. The ratio of female directors is 3/8, 3 independent directors have seniority of term under 3 years, 2 independent directors have seniority of term between 3~6 years, 3 directors aged under 65 years, and 5 aged over 70 years.
 - d. Specific management goals: Fulgent Sun values the independence and gender equality in the composition of Board of Directors members. The independent director ratio is targeted at over 50%. Two independent directors were added to the 5th Board of Directors and currently the ratio of independent directors accounts for 63% of total director seats. Two female directors were added to the 6th Board of Directors and currently the ratio of female directors account for 38% of total director seats.
 - e. The Board of Directors sets out the diversification policy for the composition of its members and exposes it on the Company website.
- (B) Board independence: The independent directors all comply with the independence requirements in Items 3 and 4 of Article 26-3 of the Securities and Exchange Act, including but not limited to the director, spouse, and relative within 2nd degree kinship who has not served as the director, supervisor or employer of Fulgent Sun or affiliated enterprise; Director Fang-Chu, Liao and the Chairman are spouses.
- Specific Management Objectives: The Company values the independence and gender equality for the composition of Board of Directors members. The independent director ratio is targeted at over 50%. Two independent directors were added to the 5th Board of Directors and currently the ratio of independent directors accounts for 63% of total director seats.

(2) Information on President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches

As of March 28, 2026; Unit: Thousand Shares, %

Title	Nationality or County of Registration	Name	Gender	Date Elected	Shares Held when Elected		Shares Currently Held		Currently Held by Spouse and Minor		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives, Directors or Supervisors who Are Spouses or within Second Degree of Kinship			Remark
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Group President	ROC	Fang-Chu, Liao	F	2010/12/29	2,327	1.16	31,040 (Note 1)	15.44	24,419 (Note 1)	12.15	Bachelor of International Trade, Chinese Culture University Vice President of Sales, Fulgent Sun International (Holding) Co., Ltd.	CEO, Fulgent Sun Group Director, Capital Concord Enterprises Limited Director, Fujian Sunshine Footwear Co., Ltd. Director, Sunny Footwear Co., Ltd. Director, Hubei Sunsmile Footwear Co., Ltd. Director, Fulgent Sun Footwear Co., Ltd. Director, Fujian Laya Outdoor Products Co., Ltd. Director, Lin Wen Chih Sunbow Enterprises Co., Ltd. Director, Lin Wen Chih Sunstone Enterprises Co., Ltd. Director, NGOC HUNG Footwear Co., Ltd. Director, Eversun Footwear Co., Ltd. Director, PT. SUN BRIGHT LESTARI Supervisor, Laya Technology Co., Ltd. Director, Lin Wen Chih Sunzeal Enterprises Co., Ltd.	Chairman	Wen-Chih, Lin	Spouse	Note 3
Group President's Executive Assistant	ROC	Hui-Yi, Lin	F	2024/9/1	1,038	0.52	165	0.08	3,004 (Note 2)	1.49	Bachelor Degree Business Administration of Virginia Commonwealth University Vice President of Operations Department, Fulgent Sun International (Holding) Co., Ltd.	Supervisor, Fujian Sunshine Footwear Co., Ltd. Director, Hubei Sunsmile Footwear Co., Ltd. Director, Fulgent Sun Footwear Co., Ltd. Director, Fujian Laya Outdoor Products Co., Ltd. Director, NGOC HUNG Footwear Co., Ltd. Director, Eversun Footwear Co., Ltd.	Chairman	Wen-Chih, Lin	Within first degree of kinship	Note 4
												President	Fang-Chu, Liao	Within first degree of kinship		
Group Executive Vice President	ROC	Chih-Cheng, Liao	M	2011/5/16	409	0.20	-	-	-	-	Doctoral Program in Industrial Management, National Yunlin University of Science and Technology (Ph.D. candidate) Master in Finance, National Yunlin University of Science and Technology Assistant Manager of Sales, First Commercial Bank	Spokesperson, Fulgent Sun Group Finance Supervisor, Fulgent Sun Group CGO, Fulgent Sun Group Director, Capital Concord Enterprises Limited Director, Sunny Footwear Co., Ltd. Director, Hubei Sunsmile Footwear Co., Ltd. Director, Fulgent Sun Footwear Co., Ltd. Director, Lin Wen Chih Sunbow Enterprises Co., Ltd. Director, Lin Wen Chih Sunstone Enterprises Co., Ltd. Director, NGOC HUNG Footwear Co., Ltd. Director, Lin Wen Chih Sunzeal Enterprises Co., Ltd.	-	-	-	-

Title	Nationality or County of Registration	Name	Gender	Date Elected	Shares Held when Elected		Shares Currently Held		Currently Held by Spouse and Minor		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives, Directors or Supervisors who Are Spouses or within Second Degree of Kinship			Remark
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Group Executive Vice President	ROC	Ming-Hsien, Chen	M	2015/8/1	160	0.08	-	-	-	-	Master of Engineering Design and its Management of University of Huddersfield Vice President of Sales Development, Fulgent Sun International (Holding) Co., Ltd.	Supervisor, Sunny Footwear Co., Ltd. Supervisor, Hubei Sunsmile Footwear Co., Ltd. Supervisor, Fujian Laya Outdoor Products Co., Ltd.	-	-	-	-
Group Production Executive Vice President	RPC	Xu-Ming, Huang	M	2013/9/1	-	-	-	-	-	-	Qingliu No.2 High School in Sanming City, Fujian Province Production Vice President in China, Fulgent Sun International (Holding) Co., Ltd	None	-	-	-	-
Group CFO	ROC	Chien-Chao, Hung	M	2021/9/1	37	0.02	-	-	-	-	Bachelor of Accounting, Feng Chia University Group Controller of Accounting Department, Fulgent Sun Group.	None	-	-	-	-
Group Operation Vice President	ROC	Wei-Ting, Lee	F	2026/1/1	-	-	-	-	-	-	Double Bachelors, Banking Finance & Business Management of Monash University Executive Associate of Operations Department, Fulgent Sun International (Holding) Co., Ltd.	None	-	-	-	Note 5
Group Development Vice President	RPC	Hua-Jun, Peng	M	2023/7/1	-	-	-	-	-	-	Bachelor of International Trade, Hunan Agricultural University Executive Associate, Fujian Sunshine Footwear Co., Ltd.	None	-	-	-	-

Title	Nationality or County of Registration	Name	Gender	Date Elected	Shares Held when Elected		Shares Currently Held		Currently Held by Spouse and Minor		Education and Work Experience	Current Position in the Company and/or Other Companies	Executives, Directors or Supervisors who Are Spouses or within Second Degree of Kinship			Remark
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Group Audit Manager	ROC	Chia-Jung, Shen	F	2020/8/6	22	0.01	-	-	-	-	Bachelor of Accounting, Providence University Auditor, Fulgent Sun International (Holding) Co., Ltd.	None	-	-	-	-

Note 1: Shares are held indirectly through the custodial account (MEINDL INT'L CO., LTD.) used by CTBC Bank; shares held by the spouse Wen-Chih, Lin include those held by the spouse and those held indirectly through the custodial account (LASPORTIVA INT'L CO., LTD.) used by CTBC Bank.

Note 2: Shares are held indirectly through the custodial account (MOONLIGHT INT'L CO., LTD.) used by Capital Securities Corporation.

Note 3: The President and the Chairman are spouses. Both the Chairman and President own diverse experiences in functions of shoe sectors. Moreover, President Liao has taken considerably important role in previous daily operation performance for years and also controls the future operation execution in reality, who is qualified as the most ideal candidate for president. In addition, to enhance the Board of Directors' oversight functions, the Company increased the number of independent director seats from three to five starting with the fifth Board of Directors. Currently, independent directors account for 63% of the total board seats, and a majority of the directors do not concurrently serve as employees or managers.

Note 4: Hui-Yi, Lin was promoted from Group Operations Vice President to President's Executive Assistant on January 1, 2026.

Note 5: Wei-Ting, Lee was promoted to Group Operations Vice President on January 1, 2026.

1. Please describe the independent director's remuneration payment policy, system, standards and structure, and describe the relationship with the amount of remuneration according to the responsibilities, risks, investment time and other factors:

In addition to considering director performance evaluation, the remuneration of independent directors of the Company is also based on Article 34.1 of the Company's Articles of Association. The remuneration committee reviews the degree of participation and contribution value of each director in the Company's operations, and the remuneration is based on the responsibilities, risks, and reasonableness of the directors. The remuneration link shall be submitted to the Board of Directors for resolution after the resolution of the remuneration committee.

2. In addition to the disclosure in the above table, the remuneration received by the directors of the Company for providing services (such as serving as consultants who are not employees) to all companies listed in the financial report in the most recent year: NT\$0.

Remunerations Brackets

Brackets of Remunerations Paid to Paid to Directors	Name of Director			
	Total of 4 Remunerations (A+B+C+D)		Total of 7 Remunerations (A+B+C+D+E+F+G)	
	The Company	All Companies Listed in Financial Statements (Note 3, 4)	The Company	All Companies Listed in Financial Statements (Note 3, 4)
Less than NT\$1,000,000	-	Jin-Huang, Huang, Chun-An, Li, and Chun-Ming, Wu	-	Jin-Huang, Huang, Chun-An, Li, and Chun-Ming, Wu
NT\$1,000,000 ~ NT\$2,000,000 (excluded)	-	Shu-Ching, Chou, Hui-Ying, Wang, Neng-Shu, Yang, Feng-Tsung, Cheng, and Chien-Hsun, Wen	-	Shu-Ching, Chou, Hui-Ying, Wang, Neng-Shu, Yang, Feng-Tsung, Cheng, and Chien-Hsun, Wen
NT\$2,000,000 ~ NT\$3,500,000 (excluded)	-	Wen-Chih, Lin, Fang-Chu, Liao, and Chih-Cheng, Liao	-	-
NT\$3,500,000 ~ NT\$5,000,000 (excluded)	-	-	-	-
NT\$5,000,000~ NT\$10,000,000 (excluded)	-	-	-	Chih-Cheng, Liao
NT\$10,000,000~ NT\$15,000,000 (excluded)	-	-	-	-
NT\$15,000,000~ NT\$30,000,000 (excluded)	-	-	-	-
NT\$30,000,000~ NT\$50,000,000 (excluded)	-	-	-	Wen-Chih, Lin and Fang-Chu, Liao
NT\$50,000,000~ NT\$100,000,000 (excluded)	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	-	11	-	11

Note 1: In this year, there is no actual payment of pension, which would be the allocation of pension.

Note 2: The amount of director's remuneration was approved by the Company's Board meeting on February 24, 2026.

Note 3: Independent Directors Jin-Huang, Huang, Chun-An, Li, and Chun-Ming, Wu stepped down upon the expiration of their terms on May 28, 2025.

Note 4: Independent Directors Neng-Shu, Yang, Feng-Tsung, Cheng, and Chien-Hsun, Wen took office on May 28, 2025.

Note 5: The remuneration disclosed in this table is based on a concept different from income stipulated in the Income Tax Act. The purpose of the table aims to disclose information, instead of taxation.

(2) Remuneration paid to supervisors: As the Company has set the Audit Committee, there is no supervisor.

(3) Remunerations paid to the president and vice presidents

Unit: NT\$ Thousand; %

Title	Name	Salary (A)		Severance Pay (B) (Note 1)		Bonuses and Allowances (C)		Employees' Remuneration (D) (Note 2)				Total Remuneration (A+B+C+D) and as a percentage of Net Profit after Tax		Remuneration Paid to Directors from A Reinvested Company Other than the Company's Subsidiary	
		The Company	All Companies Listed in Financial Statements	The Company	All Companies Listed in Financial Statements	The Company	All Companies Listed in Financial Statements	The Company		All Companies Listed in Financial Statements		The Company	All Companies Listed in Financial Statements		
								Cash Amount	Stock Amount	Cash Amount	Stock Amount				
Group CSO	Wen-Chih, Lin	-	76,492	-	458	-	28,484	-	-	15,000	-	-	120,434	9.92	None
Group President	Fang-Chu, Liao														
Group President's Executive Assistant (Note 3)	Hui-Yi, Lin														
Group Executive Vice President	Chih-Cheng, Liao														
Group Executive Vice President	Ming-Hsien, Chen														
Group Production Executive Vice President	Xu-Ming, Huang														
Group CFO	Chien-Chao, Hung														
Group Development Vice President	Hua-Jun, Peng														

Remunerations Brackets

Brackets of Remunerations Paid to the President and Vice Presidents	Name of President and Vice President	
	The Company	All Companies Listed in Financial Statements
Less than NT\$1,000,00	-	-
NT\$1,000,00 (included) – NT\$2,000,000 (Excluded)	-	-
NT\$2,000,00 (included) – NT\$3,500,000(Excluded)	-	Chih-Cheng, Liao, and Hua-Jun, Peng
NT\$3,500,00 (included) – NT\$5,000,000(Excluded)	-	Chien-Chao, Hung, and Hui-Yi, Lin
NT\$5,000,00 (included) – NT\$10,000,000 (Excluded)	-	Ming-Hsien, Chen, and Xu-Ming, Huang
NT\$10,000,00 (included) – NT\$15,000,000(Excluded)	-	-
NT\$15,000,00 (included) – NT\$30,000,000(Excluded)	-	-
NT\$30,000,00 (included) – NT\$50,000,000(Excluded)	-	Wen-Chih, Lin, and Fang-Chu, Liao
NT\$50,000,00 (included) – NT\$100,000,000 (Excluded)	-	-
More than NT\$100,000,000	-	-
Total	-	8

Note 1: No severance pay was given out that year but from the appropriated pension.

Note 2: The employees' 2025 remuneration has been approved by the Board of Directors on February 24, 2026.

Note 3: Hui-Yi, Lin was promoted from Group Operations Vice President to President's Executive Assistant on January 1, 2026.

Note 4: The remuneration disclosed in this table is based on a concept different from income stipulated in the Income Tax Act. The purpose of the table aims to disclose information, instead of taxation.

(4) Managers receiving distributed employee remuneration and the distribution status

Unit: NT\$ Thousand; %

Item	Title	Name	Stock Amount	Cash Amount	Total	Ratio of Total Amount to Net Income (%)
Manager	Group CSO	Wen-Chih, Lin	-	15,000	15,000	1.24
	Group President	Fang-Chu, Liao				
	Group President's Executive Assistant (Note)	Hui-Yi, Lin				
	Group Vice President	Chih-Cheng, Liao				
	Group Vice President	Ming-Hsien, Chen				
	Group Production Vice President	Xu-Ming, Huang				
	Group CFO	Chien-Chao, Hung				

Note: Hui-Yi, Lin was promoted from Group Operations Vice President to President's Executive Assistant on January 1, 2026.

- (5) Analysis of ratio of total remunerations paid to directors, supervisors, the president and vice presidents by the Company and all companies listed in the consolidated financial statements to net income in the most recent two years; policies, standards, and portfolios of remunerations; procedures for determining remunerations; and correlation between business performance and future risks

- A. Analysis of ratio of total remunerations paid to directors, supervisors, the president and vice presidents by the Company and all companies listed in the consolidated financial statements to net income in the most recent two years

Unit: NT\$ Thousand; %

Title	2024				2025			
	Total Remuneration		Ratio of Net Income (%)		Total Remuneration		Ratio of Net Income (%)	
	The Company	All Companies Listed in Financial Statements	The Company	All Companies Listed in Financial Statements	The Company	All Companies Listed in Financial Statements	The Company	All Companies Listed in Financial Statements
Directors	-	66,077	-	4.80	-	106,166	-	8.75
President and Vice presidents	-	76,999	-	5.59	-	120,434	-	9.92

- B. Policies, standards, and portfolios of remunerations; procedures for determining remunerations; and correlation between business performance and future risks.

- (A) Policies and standards for remuneration of directors and managerial officers:

It is stipulated in Article 32 of the Company's Articles of Association that the remuneration to directors is determined by the Board of Directors with reference to the industry standards and must be paid regardless of the Company's profits or losses resulted. However, the Company has set up a Remuneration Committee that is composed of independent directors to serve. The Remuneration Committee is responsible for formulating and reviewing the policies, systems, standards, and structures intended for performance evaluation and remuneration of directors and managerial officers regularly. The Board of Directors also formulates the remuneration of board directors and managerial officers by regularly evaluates and refers to the payment standards of the industry. The remuneration to directors is formulated by referring to the performance evaluation results (including the grasp of the Company's goals and tasks, awareness of directors' responsibilities, participation in company operations, internal relationship management and communication, and director's professionalism and continuing education). The remuneration to managerial officers refers to the factors such as professional title, rank, academic achievement (experience), professional abilities, and responsibilities. Bonuses are awarded based on managerial officers' performance evaluations, including financial indicators (company revenue, net income before tax, net income achievement rate, etc.) and refers to professional abilities (financial accounting, operation management, industry knowledge, decision-making ability, etc.).

- (B) The procedure for determining remuneration and its correlation with operating performance and future risks:

The remuneration of the President and Vice President including salary, bonus, and employee incentives, is determined based on the position held, responsibilities assumed, contribution made to the Company, and to the sustainable development indicators (which account for 15% and 12% of the performance evaluations for the President and Vice President, respectively). The Company is committed to implementing and promoting sustainable development goals, including the following projects: Use of eco-friendly shoe materials and waste-reducing manufacturing processes; reduction of greenhouse gas emissions and increase in the proportion of renewable energy; sustainable responsible procurement; occupational injury rates; employee training and satisfaction; and other sustainability-related issues.

The Company has the remuneration of directors and managerial officers evaluated regularly in accordance with the “Rules for Performance Evaluation of Board of Directors” and the Company’s Articles of Association. The remuneration of directors and senior managers shall be reviewed in a timely manner based on their participation in the Company’s operations and the value of their contribution, and shall be regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors every year; also, it is necessary to review the remuneration system at any time by referring to the Company’s overall operating performance and future industry risks and development trends, as well as depending on the actual operating conditions and relevant laws. It is also important to minimize the possibility and correlation of future risks in order to have the Company’s sustainable operations and risk control balanced out. The actual amount of remuneration paid to directors and managerial officers shall be reviewed by the Remuneration Committee and resolved by the Board of Directors.

3. Implementation of Corporate Governance

(1) The Board’s Operation

A total of six meetings of the Board of Directors were held in 2025. The attendance of directors and independent directors is as follows:

Title	Name	Time of Actual Attendance	Time of Actual Attendance by Proxy	Ratio of Actual Attendance (%)	Remark
Chairman	Wen-Chih, Lin	6	0	100	-
Director	Fang-Chu, Liao	5	0	83	-
Director	Chih-Cheng, Liao	6	0	100	-
Independent Director	Jin-Huang, Huang	2	0	100	Stepped down on 2025/5/28
Independent Director	Chun-An, Li	2	0	100	Stepped down on 2025/5/28
Independent Director	Chun-Ming, Wu	2	0	100	Stepped down on 2025/5/28
Independent Director	Shu-Ching, Chou	6	0	100	-
Independent Director	Hui-Ying, Wang	6	0	100	-
Independent Director	Neng-Shu, Yang	4	0	100	Took office on 2025/5/28
Independent Director	Feng-Tsung, Cheng	4	0	100	Took office on 2025/5/28
Independent Director	Chien-Hsun, Wen	4	0	100	Took office on 2025/5/28

Other matters to be recorded:

1. Should any of the following takes place in a Board’s meeting, the date, session, and proposals of Board’s meeting, opinions of all independent directors, and the Company’s response to such opinions shall be specified: The Company had no resolution that was objected and reserved by the independent directors.

(1) Items listed in Article 14-3 of the Securities and Exchange Act:

The company has established an audit committee, and Article 14-3 of the Securities and Exchange Act does not apply. Please refer to the operation of the audit committee.

(2) In addition to the above matters, any Board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: None.

2. The director execution of avoiding agenda with conflict of interest should describe the name of the director, content of agenda, reason for avoiding conflict of interest and the participation in voting:

The Name of The Director	Content of Agenda	Reason for Avoiding Conflict of Interest	The Participation in Voting
Fang-Chu, Liao	The Company intends to purchase the stock shares of "Medao Trading Co., Ltd." from its related parties.	involved the interests of directors	The Chairman consulted with the other directors present and passed the resolution unanimously.

3. Execution of the Board of Directors evaluation:

For more information on the results of the Board of Directors evaluation for 2025, refer to the Company website and the section, III. 3. (3) Implementation of corporate governance, discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies, in the Annual Report.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Criteria
Once a year	The evaluation period is the performance evaluation from December of the previous year to November of the current year.	Board of directors	The method of evaluation adopted is the internal self-evaluation of the Board of Directors.	The measurement items of the performance evaluation of the Board of Directors include the following five aspects; 1. The degree of engagement in the Company's operations 2. Improve the quality of decision-making of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal control
Once a year	The evaluation period is the performance evaluation from December of the previous year to November of the current year.	Each board member	The method of evaluation is self-evaluation by directors.	The measurement items for performance evaluation of directors include the following six aspects; 1. Maturity of the Company's goals and tasks 2. Understanding of responsibilities of directors 3. The degree of engagement in the Company's operations 4. Internal relationship management and communication 5. Election and continuing education of directors 6. Internal control
Once a year	The evaluation period is the performance evaluation from December of the previous year to November of the current year.	Each functional committee	The evaluation method is self-evaluation by the chairpersons of the functional committees.	The measurement items for the performance evaluation of each functional committee include the following five aspects; 1. The degree of engagement in the Company's operations 2. Understanding of responsibilities of functional committees 3. Improvement of the decision-making quality of functional committees 4. Composition of functional committees and selection of members 5. Internal control

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Criteria
Once every three years	The 2024 external board effectiveness evaluation period is Jan. 1, 2022 to Dec. 31, 2024	All board members	The method of evaluation adopted evaluates the appointing party's board governance effectiveness through procedures such as reviewing the questionnaires filled out by the Company, interviewing board members on site, and verifying necessary documents and files.	Take reference to the Corporate Governance Best -Practice Principles and related research documents and legal guidelines, it includes: the composition and structure of the Board of Directors, the selection and appointment of directors and continuing education, the degree of engagement of the Board of Directors in the Company 's operations, the improvement of the quality of decision-making of the Board of Directors, internal control, sustainability and value creation to assess board governance effectiveness.

4. The goals of strengthening the functionality of the Board of Directors in the current and the preceding years (e.g., establishing the Audit Committee and increasing information transparency), and the evaluation of their execution:

- (1) Performance and assessment of Board meetings: The Company has established the rules of procedures for Board meetings. Board meetings were convened in accordance with the rules and existing laws and regulations, and the attendance of directors and independent directors was good.
- (2) Directors' advanced studies: To encourage directors' advanced studies, the Company organizes on-site training sessions conducted by professional instructors and interact with directors on-site every year. For the implementation of directors' advanced studies this year, please refer to the section, III. 3. (3) Implementation of Corporate Governance, Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and Reasons for Such Discrepancies, in the Annual Report.
- (3) Improvement in information transparency: The Company attaches great importance to the rights and interests of investors and stakeholders. After each Board meeting is convened, the Company will publish important resolutions of the Board of Directors immediately. The Company also participates in investor conferences from time to time.
- (4) Directors' liability insurance: To protect directors and executive officers from risks when performing their duties, the Company purchases "Liability Insurance for Directors and Managers" each year.

(2) Composition, responsibilities and operation of the Audit Committee

A. Composition of Audit Committee

The Audit Committee is composed of all independent directors, with no fewer than three persons, one of whom is the convener, and at least one person should have accounting or financial expertise.

The term of the independent director of the Audit Committee is three years, and it may be reelected; if it is dismissed for any reason, it should be elected by the recent shareholders' meeting.

B. Responsibilities of the Audit Committee

The main purpose of the Audit Committee's operation is to monitor the following matters:

- (A) The expression of the Company 's financial statements.
- (B) Appointment (dismissal) of CPA, independence and performance.
- (C) The effective implementation of internal control.
- (D) Compliance with relevant laws and regulations.
- (E) Control of the Company's existing or potential risks.

C. Information on the operation of the Audit Committee

- (A) The Audit Committee of the Company consists of five members.

The Audit Committee held 5 meetings in 2025 and conducted regular internal performance evaluations annually. A self-assessment of the Committee's performance was conducted on December 24, 2025, covering the period from December 1, 2024 to November 30, 2025. The evaluation items mainly included the Committee's level of participation in company operations, understanding of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, the composition and selection of members of functional committees, and internal controls. This evaluation adopted a self-assessment method by committee members, conducted through questionnaires. All evaluation results were "Excellent," indicating effective and sound operation overall. The 2025 performance evaluation results were reported to the Board of Directors on February 24, 2026. The attendance of independent directors is as follows:

Title	Name	Time of Actual Attendance	Time of Actual Attendance by Proxy	Rate of Actual Attendance (%)	Remark
Independent Director	Chun-An, Li	2	0	100	Stepped down on 2025.05.28
Independent Director	Chun-Ming, Wu	2	0	100	Stepped down on 2025.05.28
Independent Director	Jin-Huang, Huang	1	0	50	Stepped down on 2025.05.28
Independent Director	Shu-Ching, Chou	5	0	100	-
Independent Director	Hui-Ying, Wang	5	0	100	-
Independent Director	Neng-Shu, Yang	3	0	100	Took office on 2025.05.28
Independent Director	Feng-Tsung, Cheng	3	0	100	Took office on 2025.05.28
Independent Director	Chien-Hsun, Wen	3	0	100	Took office on 2025.05.28

Other matters to be recorded:

1. Should any of the following take place in a meeting of the Audit Committee, the dates and sessions of meetings, the proposals, any dissenting opinions, reservations, or significant recommendations raised by independent directors, the Audit Committee's resolution, and the Company's response to such a resolution shall be specified:
 - (1) Items listed in Article 14-5 of the Securities Exchange Act: Please refer to the section, III. 3. (2) C. (B) Implementation of the Audit Committee for the current year, below.
 - (2) Other than the matters mentioned above, other resolutions passed by two-thirds of all directors but yet to be approved by the Audit Committee: None.
2. When an independent director recuses himself/herself from proposals involving the conflict of interest, the independent director's name, the proposals, cause for the conflict of interest, and the voting shall be specified: The Company did not have a director who recused himself/herself from proposals involving the conflict of interest.
3. Communication between the independent director and the internal audit manager and CPAs (including material matters, methods, and results associated with corporate finance and business):
 - (1) The Company's audit manager communicates with the Audit Committee about the results of audits on a regular basis and attends meetings of the Audit Committee without a vote. The independent directors raised no objection against report items and had good communication with the Company's audit manager.
 - (2) Independent directors review the Company's financial statements on a regular basis. The CPAs also attend the annual meeting of the Audit Committee without votes to explain the results of audits. The independent directors had good communication with the CPAs.

(3) The following are the communications between the independent directors, the head of internal audit, and the accountant for 2025:

Date	Attendees	Communication Matters	Results
2025.02.25	Independent Directors Chun-An, Li, Chun-Ming, Wu, Shu-Ching, Chou, Hui-Ying, Wang, and Audit Manager Chia-Jung, Shen	2024 "Internal Control System Statement" Proposal	No comments at this meeting
2025.05.08	Independent Directors Chun-An, Li, Jin-Huang, Huang, Chun-Ming, Wu, Shu-Ching, Chou, Hui-Ying, Wang, and Audit Manager Chia-Jung, Shen	Internal Audit Report for the First Quarter of 2025	No comments at this meeting
2025.08.26	Independent Directors Shu-Ching, Chou, Hui-Ying, Wang, Neng-Shu, Yang, Feng-Tsung, Cheng, Chien-Hsun, Wen, and Audit Manager Chia-Jung, Shen	Internal Audit Report for the Second Quarter of 2025	No comments at this meeting
2025.11.06	Independent Directors Shu-Ching, Chou, Hui-Ying, Wang, Neng-Shu, Yang, Feng-Tsung, Cheng, Chien-Hsun, Wen, and Audit Manager Chia-Jung, Shen	Internal Audit Report for the Third Quarter of 2025	No comments at this meeting
2025.12.24	Independent Directors Shu-Ching, Chou, Hui-Ying, Wang, Neng-Shu, Yang, Feng-Tsung, Cheng, Chien-Hsun, Wen, and Audit Manager Chia-Jung, Shen	(1) Internal Audit Report for the Fourth Quarter of 2025 (2) 2026 Audit Plan	No comments at this meeting
2025.12.24 Independent communication meeting for Audit Manager and CPA	Independent Directors Shu-Ching, Chou, Hui-Ying, Wang, Neng-Shu, Yang, Feng-Tsung, Cheng, Chien-Hsun, Wen, Audit Manager Chia-Jung, Shen, and CPA Hua-Ling, Liang	(1) Discussion of the 2026 Audit Plan (2) Explanation of the improvement status of internal control deficiencies in 2025: No major anomalies were found. (3) 2024 Audit Quality Information	No comments at this meeting

(B) Implementation of the Audit Committee from 2025 to the publication date of the annual report:

Audit Committee	Agenda and Subsequent Process	Items listed in Article 14-5 of the Securities Exchange Act	Other Resolutions Passed by Two-thirds of All Directors but Yet to Be Approved by the Audit Committee
2025.02.25 5th Session 14th Time	Case: The Company's 2024 statement of internal control system.	V	-
	Case: The Company's 2024 consolidated financial statements.	V	-
	Case: The Company's 2024 business report.	V	-
	Case: The Company's 2024 earnings distribution.	V	-
	Case: The Company's 2025 CPAs independence assessment and competency assessment.	V	-
	Case: The Proposal for lifting the non-competition restriction of newly-elected Directors and their representatives.	V	-
	Case: Acquisition of Shares in Medao Trading Co., Ltd. from Related Parties.	V	-
	Results of Audit Committee resolution (February 25, 2025): All members of the Committee agreed to adopt the proposal. The Company's treatment of the Audit Committee's opinions: All directors present agreed.		
2025.05.08 5th Session 15th Time	Case: The Company's consolidated financial statements for the first quarter of 2025.	-	-
	Results of Audit Committee resolution (May 8, 2025): All members of the Committee agreed to adopt the proposal. The Company's treatment of the Audit Committee's opinions: All directors present agreed.		
2025.08.26 6th Session 1st Time	Case: The Company's consolidated financial statements for the second quarter of 2025.	V	-
	Case: Proposed amendments to certain articles of the Company's "Regulations Governing the Issuance and Conversion of the Sixth Unsecured Convertible Corporate Bonds within the Republic of China".	V	-
	Case: Amendments to Certain Articles of the "Personal Data Protection Management Operations".	V	-
	Case: Amendments to the "Authorization Chart".	-	-
	Results of Audit Committee resolution (August 26, 2025): All members of the Committee agreed to adopt the proposal. The Company's treatment of the Audit Committee's opinions: All directors present agreed.		
2025.11.06 6th Session 2nd Time	Case: The Company's consolidated financial statements for the third quarter of 2025.	-	-
	Case: The Company's business report and distribution of earnings for the first half of 2025.	V	-
	Case: Amendments to Certain Articles of the "Rules of Procedure for Board of Directors Meetings" and "Procedures for Board Meeting Operations".	V	-
	Case: Amendments to Certain Articles of the "Audit Committee Organization Procedures".	V	-
	Results of Audit Committee resolution (November 6, 2025): All members of the Committee agreed to adopt the proposal. The Company's treatment of the Audit Committee's opinions: All directors present agreed.		

Audit Committee	Agenda and Subsequent Process	Items listed in Article 14-5 of the Securities Exchange Act	Other Resolutions Passed by Two-thirds of All Directors but Yet to Be Approved by the Audit Committee
2025.12.24 6th Session 3rd Time	Case: The Company's audit plan for 2026.	V	-
	Case: Amendments to Certain Articles of the "Sustainable Development Best Practice Principles".	V	-
	Case: Amendments to Certain Articles of the "Payroll Cycle - Recruitment, Selection, and Appointment Procedures".	V	-
	Case: Amendments to Certain Articles of the "Code of Conduct for Corporate Governance".	V	-
	Results of Audit Committee resolution (December 24, 2025): All members of the Committee agreed to adopt the proposal. The Company's treatment of the Audit Committee's opinions: All directors present agreed.		
2026.02.24 6th Session 4th Time	Case: The Company's 2025 statement of internal control system.	V	-
	Case: The Company's 2025 consolidated financial statements.	V	-
	Case: The Company's 2025 business report.	V	-
	Case: The Company's 2025 earnings distribution.	V	-
	Case: The Company's 2026 CPAs independence assessment and competency assessment.	V	-
	Case: Amendments to Certain Articles of the "Memorandum and Articles of Association".	V	-
	Results of Audit Committee resolution (February 24, 2026): All members of the Committee agreed to adopt the proposal. The Company's treatment of the Audit Committee's opinions: All directors present agreed.		

(3) Implementation of corporate governance, discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established the “Corporate Governance Best-Practice Principles” and disclosed these principles on the Company website. Each operation has complied with these principles. As of the printing date of the Annual Report, there is no major discrepancy.	No major discrepancy
2. Shareholding structure & shareholders’ rights				
(1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) The Company has established the “Procedures for Handling Material Inside Information” and set up a spokesperson, a deputy spokesperson, a person in charge of stocks, and an e-mail address for handling shareholders' proposals and inquiries.	No major discrepancy
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company has set up a person in charge of stocks with the help of Transfer Agency Service of CTBC Bank to control the list of major shareholders.	No major discrepancy
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) The Company has established the “Procedures for Trading with Group Companies, Specific Companies,” and “Related Parties and the Regulations Governing Supervision and Management of Subsidiaries,” which stipulate the operation, business, and financial dealings associated with affiliated companies, to control related risks.	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	✓		(4) The Company has established related written regulations to maintain the fairness of securities trading. The Company has also established the “Procedures for Handling Material Inside Information” and promotes the awareness to insiders from time to time.	No major discrepancy
3. Composition and responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		(1) The Company has established a diversity policy on the formation of the Board members in the “Corporate Governance Best-Practice Principles,” in which all members are equipped with necessary knowledge, skills, and moral fiber to carry out their responsibilities. A. The Company adopted the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and developed a diversified approach in Chapter III, "Strengthening the Functions of the Board". The nomination and selection of the members of the Board of Directors of the Company shall, in accordance with the provisions of the Articles of Association, adopt a system of nomination of candidates, in addition to assessing the qualifications of the candidates for their studies and taking into account the views of interested parties, to comply with the “Regulations for the Election of Directors and Independent Directors” and “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” in order to ensure diversity and independence of the directors.	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>B. The seventh Board of Directors of the Company consists of eight directors, including three female directors. Apart from the female members, Wen-Chih, Lin, Fang-Chu, Liao, Chih-Cheng, Liao, Shu-Ching, Chou, and Hui-Ying, Wang are good at finance and accounting with decision-making ability. Wen-Chih, Lin, Fang-Chu, Liao, Chih-Cheng, Liao, Neng-Shu, Yang, and Chien-Hsun, Wen are good at business management. Wen-Chih, Lin, Fang-Chu, Liao, Chih-Cheng, Liao, and Feng-Tsung, Cheng are good at industry knowledge. Neng-Shu, Yang, Feng-Tsung, Cheng, and Chien-Hsun, Wen are good at decision-making.</p> <p>C. The ratio of directors as concurrent employees of the Company is 3/8 and the ratio of independent directors is 5/8. The ratio of female directors is 3/8, 3 independent directors have seniority of term under 3 years, 2 independent directors have seniority of term between 3~6 years, 3 directors aged under 65 years, and 5 aged over 70 years.</p> <p>D. Specific management goals: Fulgent Sun values the independence and gender equality in the composition of Board of Directors members. The independent director ratio is targeted at over 50%. Two independent directors were added to the 5th Board of Directors and currently the ratio of independent directors accounts for 63% of total director seats. Two female directors were added to the 6th Board of Directors and currently the ratio of female directors account for 38% of total director seats.</p>	

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons																																																																																																																																																																											
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(2) Does the Company voluntarily establish other functional committees in addition to the Salary and Remuneration Committee and the Audit Committee?			<p>E. The 7th session of the Board of Directors sets out the diversification policy for the composition of its members and exposes it on the Company website.</p> <p>F. Implementation of diversification in the Seventh Board's members:</p> <table border="1"> <thead> <tr> <th rowspan="3">Diversification Criteria Director</th> <th colspan="5">Basic Composition</th> <th colspan="4">Industry Experience</th> <th colspan="4">Expertise</th> </tr> <tr> <th rowspan="2">Nationality</th> <th rowspan="2">Gender</th> <th rowspan="2">Concurrent position as the employee of the Company</th> <th colspan="3">Age</th> <th colspan="2">Seniority of Terms for Independent Director</th> <th rowspan="2">Banking</th> <th rowspan="2">Securities</th> <th rowspan="2">Trade</th> <th rowspan="2">Management</th> <th rowspan="2">Finance & Accounting</th> <th rowspan="2">Business Administration</th> <th rowspan="2">Industry Knowledge</th> <th rowspan="2">Decision-making</th> </tr> <tr> <th>Under 65 years old</th> <th>65-69 years old</th> <th>70 years or older</th> <th>Under 3 years</th> <th>3-6 years</th> </tr> </thead> <tbody> <tr> <td>Wen-Chih, Lin</td> <td>ROC</td> <td>M</td> <td>V</td> <td></td> <td></td> <td>V</td> <td></td> <td></td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Fang-Chu, Liao</td> <td>ROC</td> <td>F</td> <td>V</td> <td></td> <td></td> <td>V</td> <td></td> <td></td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Chih-Cheng, Liao</td> <td>ROC</td> <td>M</td> <td>V</td> <td>V</td> <td></td> <td></td> <td></td> <td></td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> <td>V</td> </tr> <tr> <td>Shu-Ching, Chou</td> <td>ROC</td> <td>F</td> <td></td> <td>V</td> <td></td> <td></td> <td></td> <td>V</td> <td></td> <td></td> <td></td> <td>V</td> <td></td> <td></td> <td></td> <td>V</td> </tr> <tr> <td>Hui-Ying, Wang</td> <td>ROC</td> <td>F</td> <td></td> <td></td> <td></td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td></td> <td>V</td> <td>V</td> <td>V</td> <td></td> <td></td> <td>V</td> </tr> <tr> <td>Neng-Shu, Yang</td> <td>ROC</td> <td>M</td> <td></td> <td></td> <td></td> <td>V</td> <td>V</td> <td></td> <td></td> <td></td> <td>V</td> <td></td> <td></td> <td>V</td> <td></td> <td>V</td> </tr> <tr> <td>Feng-Tsung, Cheng</td> <td>ROC</td> <td>M</td> <td></td> <td></td> <td></td> <td>V</td> <td>V</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>V</td> <td>V</td> </tr> <tr> <td>Chien-Hsun, Wen</td> <td>ROC</td> <td>M</td> <td></td> <td>V</td> <td></td> <td></td> <td>V</td> <td></td> <td></td> <td>V</td> <td></td> <td>V</td> <td></td> <td>V</td> <td></td> <td>V</td> </tr> </tbody> </table>	Diversification Criteria Director	Basic Composition					Industry Experience				Expertise				Nationality	Gender	Concurrent position as the employee of the Company	Age			Seniority of Terms for Independent Director		Banking	Securities	Trade	Management	Finance & Accounting	Business Administration	Industry Knowledge	Decision-making	Under 65 years old	65-69 years old	70 years or older	Under 3 years	3-6 years	Wen-Chih, Lin	ROC	M	V			V				V	V	V	V	V	V	V	Fang-Chu, Liao	ROC	F	V			V				V	V	V	V	V	V	V	Chih-Cheng, Liao	ROC	M	V	V					V		V	V	V	V	V	V	Shu-Ching, Chou	ROC	F		V				V				V				V	Hui-Ying, Wang	ROC	F				V		V	V		V	V	V			V	Neng-Shu, Yang	ROC	M				V	V				V			V		V	Feng-Tsung, Cheng	ROC	M				V	V								V	V	Chien-Hsun, Wen	ROC	M		V			V			V		V		V		V	
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	✓		<p>(2) In addition to setting up the Salary and Remuneration Committee and the Audit Committee, the Company also sets up the Corporate Governance and Sustainable Development Committee. The Corporate Governance and Sustainable Development Committee is composed of 8 directors (including 5 independent directors). Chairman of the Committee, Director Lin Wen-Chih, specializes in corporate governance and meets the expertise required for the Corporate Governance and Sustainable Development Committee. The Audit Committee held two meeting in 2025. The attendance of independent director is as follow:</p>	No major discrepancy																																																																																																																																																																											

Evaluation Item	Implementation Status				Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons																																														
	Yes	No	Summary																																																
(3) Does the Company establish guidelines for evaluating the Board of Director performance and the method of evaluation? Does the Company conduct annual performance evaluation and submit the outcome of performance evaluation to the Board of Directors in addition to applying such evaluation on the consideration for the remuneration of individual director and the renewal of nomination?	✓		<table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Time of Actual Attendance</th> <th>Time of Actual Attendance by Proxy</th> <th>Ratio of Actual Attendance (%)</th> </tr> </thead> <tbody> <tr> <td>Director</td> <td>Wen-Chih, Lin</td> <td>2</td> <td>0</td> <td>100</td> </tr> <tr> <td>Director</td> <td>Fang-Chu, Liao</td> <td>2</td> <td>0</td> <td>100</td> </tr> <tr> <td>Director</td> <td>Chih-Cheng, Liao</td> <td>2</td> <td>0</td> <td>100</td> </tr> <tr> <td>Independent Director</td> <td>Shu-Ching, Chou</td> <td>2</td> <td>0</td> <td>100</td> </tr> <tr> <td>Independent Director</td> <td>Hui-Ying, Wang</td> <td>2</td> <td>0</td> <td>100</td> </tr> <tr> <td>Independent Director</td> <td>Neng-Shu, Yang</td> <td>2</td> <td>0</td> <td>100</td> </tr> <tr> <td>Independent Director</td> <td>Feng-Tsung, Cheng</td> <td>2</td> <td>0</td> <td>100</td> </tr> <tr> <td>Independent Director</td> <td>Chien-Hsun, Wen</td> <td>2</td> <td>0</td> <td>100</td> </tr> </tbody> </table>		Title	Name	Time of Actual Attendance	Time of Actual Attendance by Proxy	Ratio of Actual Attendance (%)	Director	Wen-Chih, Lin	2	0	100	Director	Fang-Chu, Liao	2	0	100	Director	Chih-Cheng, Liao	2	0	100	Independent Director	Shu-Ching, Chou	2	0	100	Independent Director	Hui-Ying, Wang	2	0	100	Independent Director	Neng-Shu, Yang	2	0	100	Independent Director	Feng-Tsung, Cheng	2	0	100	Independent Director	Chien-Hsun, Wen	2	0	100	(3) The Board of Directors approved the establishment of the “Guidelines for the Evaluation of the Board of Directors” on May 2, 2019. Directors shall conduct individual self-evaluations, while functional committees adopt overall self-evaluations or peer evaluations. The Board of Directors is evaluated at least once a year, with the internal evaluation period covering December of the previous year to November of the current year. The results of the internal performance evaluation shall be completed prior to the last Board meeting of the year.	No major discrepancy
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	Yes	No	Summary	
(4) Does the Company regularly evaluate the independence of CPAs?	✓		<p>The outcome of the latest Board of Directors performance evaluation is as follows:</p> <p>The evaluation of the Board of Directors and functional committees was completed on December 24, 2025. There is no nonconformity found for improvement in the internal evaluation performed. The most recent external evaluation was completed on January 13, 2025. Please visit the Company's website for detailed information on the external evaluation results, improvement suggestions, and future improvement plans (Path: Investors - Corporate Information - Board of Directors - Board Performance Assessment)</p> <p>(4) According to the "Corporate Governance Best-Practice Principles," the Audit Committee and the Board of Directors shall regularly refer to the audit quality indicators (AQIs) to evaluate the independence, competence and professionalism of certified accountants every year, and shall request the CPAs to provide the statement of independence every year. The Group's finance department will review the competence and independence of the CPAs (Note) and report the results of review to the Board of Directors for adoption.</p> <p>Note: Standards for CPA Independence Evaluation</p>	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons																														
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	Yes	No	Summary	
4. Does the Company allocate a corporate governance unit or personnel to be in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors, handle matters relating to the Board meetings and shareholders' meetings according to laws, handle corporate registration and amendment registration, produce minutes of the Board meetings and shareholders meetings...etc.)?	✓		<p>The Company adopted the resolution by the Board of Directors to appoint Group Executive Vice President Chih-Cheng, Liao as the head of corporate governance to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors. Executive Vice President Liao has had more than three years of experience in the position of a public company in charge of finance. The major responsibility of the head of corporate governance is to handle matters related to the Board meetings and shareholders' meetings in accordance with the law, produce directorate and shareholders' meetings, assist directors in continuing education, provide data for directors to perform business, assist directors to follow laws and regulations.</p> <p>(1) The implementation of the business is as follows:</p> <p>A. To assist independent director and general directors in carrying out their duties, providing necessary data and arranging directors' training:</p> <p>(A) The development and revision of the latest laws and regulations related to the Company's business areas and corporate governance provided to the members of the Board of Directors during office and with periodic update.</p> <p>(B) Inspect the confidential level of information and provide the Company information required by directors, so as to maintain the smooth communication between directors and business executives.</p>	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
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			<p>(C) The independent directors meet with internal auditing executive or CPA separately to understand the needs of corporate financial services and assist with arrangement of relevant meetings, pursuant to the “Corporate Governance Best-Practice Principles.”</p> <p>(D) To assist independent director and directors with drafting the annual training plans and arrangement of courses based on the industrial characteristics of the Company and the directors' experience and background.</p> <p>B. To assist the Board of Directors and shareholders' meeting procedures and resolution of regulatory compliance:</p> <p>(A) To report to the Board of Directors, independent director, audit committee or supervisor on the Company's corporate governance status, and confirm whether the shareholders' meeting and the Board of Directors are in line with the relevant laws and rules of corporate governance.</p> <p>(B) Assist and remind the directors of the regulations to be complied during the implementation of operation or official resolution reached by the Board of the Directors, in addition to proposing suggestions before the Board of the Directors violates the law during resolution.</p> <p>(C) To be responsible for checking the important information release of the important resolutions of the Board of Directors after the meeting, and ensuring the lawfulness and correctness of the contents of the resolutions, so as to protect the investors' trading information.</p>	

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			<p>C. To inform the Board of Directors 7 days before convening the Board's meeting, and to provide the conference data. If matter is to be avoided, the matter should be reminded in advance, and the minutes of the Board will be completed within 20 days after the meeting.</p> <p>D. In accordance with the law, registration should be made before shareholders' meeting date, the meeting notice shall be made within the legal time limit, the meeting handbook and the meeting minutes shall be made, and the registration of the change shall be made if the Articles of Association are amended or directors are re-elected.</p> <p>(2) The continuous education of the head of corporate governance in 2025 as of the printing date of the Annual Report:</p> <table border="1"> <thead> <tr> <th>Time</th> <th>Organizer</th> <th>Course Name</th> <th>Hours</th> <th>Total Hours</th> </tr> </thead> <tbody> <tr> <td>2025/5/28</td> <td>Securities and Futures Institute</td> <td>Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports</td> <td>3.0</td> <td rowspan="3">12.0</td> </tr> <tr> <td>2025/11/17</td> <td>The Institute of Internal Auditors-Chinese Taiwan</td> <td>Sustainability Report Analysis and Sustainability Information Assurance Practices</td> <td>6.0</td> </tr> <tr> <td>2025/12/24</td> <td>Securities and Futures Institute</td> <td>Sustainability Disclosure Trends: The Issuance, Impact, and Responses to IFRS S1 and S2 Sustainability Disclosure Standards</td> <td>3.0</td> </tr> </tbody> </table>	Time	Organizer	Course Name	Hours	Total Hours	2025/5/28	Securities and Futures Institute	Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports	3.0	12.0	2025/11/17	The Institute of Internal Auditors-Chinese Taiwan	Sustainability Report Analysis and Sustainability Information Assurance Practices	6.0	2025/12/24	Securities and Futures Institute	Sustainability Disclosure Trends: The Issuance, Impact, and Responses to IFRS S1 and S2 Sustainability Disclosure Standards	3.0	
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5. Does the Company establish communication channel of the stakeholders (including but not limited to shareholders, employees, customers, supplier, etc.), and establish an exclusive zone of the stakeholders in the Company's website, and properly respond the important issues of corporate social responsibility concerned by the stakeholders?	✓		The Company has designated a spokesperson, a deputy spokesperson, and a stock affairs officer, with the contact phone number and email address disclosed on the Company's website to facilitate communication with the stakeholders.	No major discrepancy
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has commissioned Transfer Agency Service of CTBC Bank to hold shareholders' meetings and other relevant affairs within the Republic of China.	No major discrepancy
7. Information Disclosure (1) Does the Company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(1) The Company has established the website to disclose information on financial operations and corporate governance under "Investors."	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
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(2) Does the Company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(2) The Company has implemented a spokesperson system and disclosed its operation according to the related regulations. An English language website has also been set up. Information on shareholders' meetings and investor conferences is updated in a timely manner.	No major discrepancy
(3) Does the Company announce and declare the annual financial report in 2 months after the accounting year, in addition to making early announcement prior to the period required and report the quarter financial statements	✓		(3) The Company announces and declares the financial statements early before the specified date. Please refer to the Market Observation Post System (website: https://mops.twse.com.tw/) for the financial statements for the first, second and third quarters, and the monthly operations.	No major discrepancy
8. Is there any other important information to facilitate a better understanding of the Implementation of Corporate Governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations,	✓		(1) Employee's rights and employee care: The Company offers a variety of employee benefits and has set up an e-mail as the channel for employees to fully respond with opinions. (2) Investor relations: The Company ensures investors' rights and information transparency by publishing information instantly and explaining corporate finance and business in investor conferences from time to time. The details are as follows:	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?			<p>1. The Company has set up the "Investors" page on the Company website to help investors understand corporate finance and business.</p> <p>2. The minutes of the Company's shareholders' meetings are kept in accordance with the Company Act and related laws and regulations and published on the Company website</p> <p>(3) Supplier relations: The Company requests suppliers to provide raw materials without hazardous substances.</p> <p>(4) Rights of stakeholders: The Company has established a multi-faceted information disclosure and two-way communication mechanism to ensure timely information delivery and feedback, thus protecting the legitimate rights and interests of stakeholders.</p> <p>(5) Continuous education for directors: The finance department invites lecturers to teach directors on-site from time to time, reports the latest laws and issues associated with finance, tax, and corporate governance in Board meetings, and requests the CPAs to report ad hoc as needed, so as to improve professional knowledge and further implement corporate governance.</p> <p>Continuous education for directors in 2025, as of the printing date of the Annual Report, is described below:</p>	

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			Title	Name	Date	Organizer	Course	Hours	
			Chairman	Wen-Chih, Lin	2025/5/28	Securities and Futures Institute	Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports	3	
					2025/12/24	Securities and Futures Institute	Sustainability Disclosure Trends: The Issuance, Impact, and Responses to IFRS S1 and S2 Sustainability Disclosure Standards	3	
			Director	Fang-Chu, Liao	2025/5/28	Securities and Futures Institute	Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports	3	
					2025/12/24	Securities and Futures Institute	Sustainability Disclosure Trends: The Issuance, Impact, and Responses to IFRS S1 and S2 Sustainability Disclosure Standards	3	
			Director	Chih-Cheng, Liao	2025/5/28	Securities and Futures Institute	Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports	3	
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			Independent Director	Shu-Ching Chou	2025/5/28	Securities and Futures Institute	Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports	3	
					2025/12/24	Securities and Futures Institute	Sustainability Disclosure Trends: The Issuance, Impact, and Responses to IFRS S1 and S2 Sustainability Disclosure Standards	3	
			Independent Director	Hui-Ying, Wang	2025/3/24	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3	
					2025/5/28	Securities and Futures Institute	Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports	3	
					2025/12/24	Securities and Futures Institute	Sustainability Disclosure Trends: The Issuance, Impact, and Responses to IFRS S1 and S2 Sustainability Disclosure Standards	3	
			Independent Director	Neng-Shu, Yang	2025/5/28	Securities and Futures Institute	Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports	3	
					2025/6/18	Institute of Financial Law and Crime Prevention	Analysis of Practical Cases Regarding Disputes at Shareholders' Meetings	3	

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			Independent Director	Neng-Shu, Yang	2025/8/14	Institute of Financial Law and Crime Prevention	ESG and Sustainable Finance Trends and Practical Applications	3	
					2025/12/24	Securities and Futures Institute	Sustainability Disclosure Trends: The Issuance, Impact, and Responses to IFRS S1 and S2 Sustainability Disclosure Standards	3	
			Independent Director	Feng-Tsung, Cheng	2025/5/28	Securities and Futures Institute	Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports	3	
					2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	3	
					2025/12/24	Securities and Futures Institute	Sustainability Disclosure Trends: The Issuance, Impact, and Responses to IFRS S1 and S2 Sustainability Disclosure Standards	3	
			Independent Director	Chien-Hsun, Wen	2025/5/28	Securities and Futures Institute	Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports	3	
					2025/7/31	Taiwan Stock Exchange	Strengthening Taiwan's Capital Market Summit	3	

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			<p>(8) Purchase of liability insurance for the directors of the Company: The Company has purchased liability insurance for directors and managerial officers and re-evaluates the coverage every year.</p> <p>(9) The Company has established procedures for handling material information in accordance with the Procedures for Handling Material Inside Information. Material information is published in accordance with the scope and methods prescribed in Paragraphs 5 and 6, Article 157-1 of the Securities and Exchange Act and the definition and regulations of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities. To prevent insider trading, any person who becomes aware of material non-public information shall comply with Article 157-1 of the Securities and Exchange Act. The Company also informs all directors, managerial officers and employees of avoidance of violations or insider trading in a timely manner.</p>	
9. Please specify the measures adopted by the Company to improve the items listed in the corporate governance review result from Taiwan Stock Exchange's Corporate Governance Center and the improvement plans for items yet to be improved (exempt if no evaluation is carried out).	✓		<p>Regarding corporate governance performance, the Company implemented the following improvements in 2025:</p> <p>(1) Disclosed policies linking senior executive compensation to ESG-related performance evaluations.</p> <p>(2) Established greenhouse gas reduction management policies, including reduction targets, implementation measures, and achievement status, and disclosed the 2030 carbon reduction targets, strategies, and action plans.</p>	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>Further enhancements were made in the following areas:</p> <p>(1) Developed concrete measures to enhance corporate value, submitted them to the Board of Directors, and disclosed relevant information in the "Enhancing Corporate Value Plan Zone" of the Market Observation Post System (MOPS).</p> <p>(2) Developed environmental management systems and disclosed their implementation status on the Company website, annual reports, or Sustainability Report.</p> <p>(3) Developed energy management plans and disclosed their implementation status on the Company website.</p> <p>(4) Developed employee training and development plans to strengthen professional competencies content and implementation status have been disclosed.</p> <p>(5) Conducted regular employee satisfaction surveys and disclosed their implementation status and improvement plans.</p> <p>(6) A personal data protection policy has been established, and its content and implementation status have been disclosed.</p> <p>(7) Relevant policies and complaint procedures have been established to protect customer rights regarding issues such as customer health and safety, marketing, and labelling of products and services.</p>	

(4) Composition, responsibility and operation of the Salary and Remuneration Committee

A. Composition of the Salary and Remuneration Committee

To strengthen corporate governance and improve a sound system for the remuneration of directors and managerial officers, the Company has established the Salary and Remuneration Committee, which was approved by the Board of Directors on December 27, 2011. This was done in accordance with the 'Regulations Governing the Establishment and Exercise of Powers of the Salary and Remuneration Committee of Listed Companies or Companies Whose Stocks are Traded Over the Counter in Taiwan.' The Company also formulated the organizational regulations for the committee to ensure proper compliance. Members of the Salary and Remuneration Committee shall include two independent directors of the Company and those appointed by the Board of Directors by resolution. The total number of the members shall not be less than three. An independent director shall be elected as a convener and a chairperson of meetings to represent the Salary and Remuneration Committee. Currently, the Salary and Remuneration Committee is composed of three independent directors, and Independent Director Hui-Ying, Wang acts as the convener.

B. Responsibility of the Salary and Remuneration Committee

The Salary and Remuneration Committee shall exercise the care of a good administrator, faithfully fulfill the following functions and power, and submit the suggestion to the Board of Directors for discussion:

- (A) Establish and periodically review the performance evaluation and policies, system, standards, and structure of the remunerations for directors and managers.
- (B) Periodically evaluate and establish remunerations and benefits for directors and managers.
- (C) Convene at least two meetings every year, and may convene meetings as needed.

C. Information on the members of the Salary and Remuneration Committee

Title	Criteria Name	Professional Qualification and Experience (Note 1)	Compliance with Independence (Note 2)	Number of concurrent positions as directors as other companies
Independent Director	Chun-Ming, Wu (Note 3)	Work experience in commerce, finance, accounting, and operational judgment required capacity. Worked as the Vice President at the Underwriting Department of Hua Nan Securities Co., Ltd., Senior Vice President of Department of Corporate Financing, Capital Securities Corp. and President, Zhanteng Venture Capital Consulting Co., Ltd. No circumstance stated in the subparagraphs of Article 30 of the Company Act.	Independent director, complying with independence, including but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not holding any company shares; not a director, supervisor or employee of the Company with specific relation to the Company; not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in the recent 2 years: None.	2
Independent Director (Former Convener)	Jin-Huang, Huang (Note 3)	Work experience as lecturer in corporate operations related departments of public and private universities and colleges. Chair of Department of Mechanical and Computer-Aided Engineering, Feng Chia University Dean of College of Engineering and Science, Director of Office of Industry-Academia Cooperation Feng Chia University, Vice President, and Chair Professor, Feng Chia University No circumstance stated in the subparagraphs of Article 30 of the Company Act.	Independent director, complying with independence, including but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not holding any company shares; not a director, supervisor or employee of the Company with specific relation to the Company; not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in the recent 2 years: None.	1
Independent Director	Chun-An, Li (Note 3)	Work experience as lecturer in the business, finance, and accounting related departments of public and private universities and colleges; and CPA, or other professional or technical specialist who has passed a national examination and been awarded a Certificate in a Profession necessary for the business of the Company. Dean of College of Finance and Banking, National Kaohsiung University of Science and Technology, Chair and Honorary Professor of Department of Finance, National Yunlin University of Science and Technology, and CPA in practice. No circumstance stated in the subparagraphs of Article 30 of the Company Act.	Independent director, complying with independence, including but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not holding any company shares; not a director, supervisor or employee of the Company with specific relation to the Company; not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in the recent 2 years: None.	-

Title	Criteria Name	Professional Qualification and Experience (Note 1)	Compliance with Independence (Note 2)	Number of concurrent positions as directors as other companies
Independent Director (Convener)	Hui-Ying, Wang (Note 4)	Work experience in finance and accounting. Worked as the Manager of Kaohsiung Branch and Luzhu Branch, Senior assistant manager and director of Kaohsiung Regional Center, senior assistant and director of Tainan Regional Center, First Commercial Bank. No circumstance stated in the subparagraphs of Article 30 of the Company Act.	Independent director, complying with independence, including but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not holding any company shares; not a director, supervisor or employee of the Company with specific relation to the Company; not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in the recent 2 years: None.	1
Independent Director	Shu-Ching, Chou (Note 4)	Work experience as lecturer in the finance related departments of public and private universities and colleges. Worked as the Chair and Professor of the Department of Finance, National Yunlin University of Science and Technology. No circumstance stated in the subparagraphs of Article 30 of the Company Act.	Independent director, complying with independence, including but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not holding any company shares; not a director, supervisor or employee of the Company with specific relation to the Company; not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in the recent 2 years: None.	-
Independent Director	Chien- Hsun, Wen (Note 4)	Work experience in commerce, and operational judgement required capacity. Worked as the Supervisor for small and medium stock trading at International Bills Finance Corporation, Assistant Manager, Taiwan Stock and Greater China Investment Department, Yuanta Funds, Senior Manager of Research Department, KGI Investment Advisory, and Chief at Securities Section, Editing Department of Economic Daily News. No circumstance stated in the subparagraphs of Article 30 of the Company Act.	Independent director, complying with independence, including but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not holding any company shares; not a director, supervisor or employee of the Company with specific relation to the Company; not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in the recent 2 years: None.	-

Note 1: Professional Qualification and Experience: Describe the professional qualification and experience of the individual director and supervisor. If the director is a member of the Audit Committee with expertise in accounting or finance, describe the accounting or financial background and work experience of the director. Additionally, explain any circumstances in the subparagraphs of Article 30 of the Company Act, when applicable.

Note 2: The compliance of independence for independent directors includes but not limited to the natural-person, spouse or relative within second degree of kinship is a director, supervisor, or employee of the Company or affiliated enterprise. Not the natural-person, spouse and relative of second-degree kinship (or under other's name) who holds the shares of the Company and with certain weight; Not a director, supervisor or employee of the Company with specific relation to the Company (refer to Refer to Article 3, Item 1, Paragraph 5~8 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). Not a professional that provides commercial, legal, financial, accounting, or consultation services to the Company or to any affiliated company for any remuneration in recent 2 years.

Note 3: Independent Directors Jin-Huang, Huang, Chun-An, Li, and Chun-Ming, Wu stepped down upon the expiration of their terms on May 28, 2025.

Note 4: Independent Directors Hui-Ying, Wang, Shu-Ching, Chou, and Chien-Hsun, Wen took office on May 28, 2025.

D. Information on the operations of the Salary and Remuneration Committee

(A) The Salary and Remuneration Committee of the Company comprises of 3 members.

(B) The term of service for members of the current Salary and Remuneration Committee is from May 28, 2025 to May 27, 2028. In 2025, the Salary and Remuneration Committee convened 3 meetings. The committee conducted annual internal performance evaluations. A self-assessment was conducted on December 24, 2025, covering the period from December 1, 2024 to November 30, 2025. The evaluation items mainly included the Committee's level of participation in company operations, understanding of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, the composition and selection of members of functional committees. This evaluation adopted a self-assessment method by committee members, conducted through questionnaires. All evaluation results were "Excellent," indicating effective and sound operation overall. The 2025 performance evaluation results were reported to the Board of Directors on February 24, 2026. The qualifications and attendance of members of the Salary and Remuneration Committee are as follows:

Title	Name	Time of Actual Attendance	Time of Actual Attendance by Proxy	Ratio of Actual Attendance (%)	Remark
Independent Director	Chun-Ming, Wu	1	0	100	Stepped down on 2025.05.28
Independent Director	Jin-Huang, Huang	1	0	100	Stepped down on 2025.05.28
Independent Director	Chun-An, Li	1	0	100	Stepped down on 2025.05.28
Independent Director	Hui-Ying, Wang	2	0	100	Took office on 2025.05.28
Independent Director	Shu-Ching, Chou	2	0	100	Took office on 2025.05.28
Independent Director	Chien-Hsun, Wen	2	0	100	Took office on 2025.05.28

The operation of the Salary and Remuneration Committee in 2025 and as of the printing date of the Annual Report:			
Salary and Remuneration Committee	Agenda	Resolution	Action Taken
2025.02.25 5th session 10th Meeting	1. The Company's 2024 employee remuneration and director remuneration 2. The Company has commissioned the Taiwan Association of Board Governance to conduct the board performance evaluation 3. The Company's treasury shares are transferred to employees and set the base date for share subscription	Unanimously passed upon chair's request	Unanimously passed by the Board
2025.08.26 6th session 1st Meeting	1. Distribution of 2024 director remuneration 2. Executive performance bonuses	Unanimously passed upon chair's request	Unanimously passed by the Board
2025.12.24 6th session 2nd Meeting	1. Distribution of 2024 employee remuneration for executives 2. Distribution of the second half of 2025 performance bonuses and year-end bonuses for executives 3. Amendments to Certain Articles of the "Personnel Management Cycle – Recruitment, Selection, and Appointment Procedures"	Unanimously passed upon chair's request	Unanimously passed by the Board
2026.02.24 6th session 3rd Meeting	1. The Company's 2025 employee remuneration and director remuneration 2. Proposed formulation of the "Employee Remuneration Policy"	Unanimously passed upon chair's request	Unanimously passed by the Board
<p>Other matters to be recorded:</p> <p>1. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Salary and Remuneration Committee, the date and session of the Board meeting, the proposals, resolutions of the Board, and the Company's responses to the Salary and Remuneration Committee's recommendations shall be specified (where the remuneration approved by the Board meeting is better than that recommended by Salary and Remuneration Committee, the gap and the reason for the approval shall be specified): None.</p> <p>2. Where resolutions of the Salary and Remuneration Committee include a dissenting or qualified opinion which is on record or stated in a written statement, the date and session of the meeting, the proposals, opinions from every member, and responses to such opinions shall be specified: None.</p>			

(5) Implementation of sustainable development, and discrepancies in the Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons for such discrepancies:

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
1. Does the Company establish the governance framework for promoting sustainable development and an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development, which is authorized by the Board of the Directors for handling and supervised by the Board of the Directors?	✓		<p>1. The Company established the “Corporate Governance and Sustainable Development Committee” in 2019 to practice corporate sustainable development and social responsibility. The Committee comprises 8 members, including the Chairman as convener, 3 directors, and 5 independent directors. The Committee oversees working groups on economic, environmental, social, ethical management, and risk management matters. All members are equipped with relevant corporate sustainability expertise and capabilities and responsible for the review of ESG final decisions and action plans, and the review and approval of related reports (such as sustainability reports and SASB-related disclosures), aiming to identify the sustainability issues that are crucial to the Company’s operations and that are concerned by stakeholders, formulating responsive strategies and work guidelines, planning and executing annual plans, and tracking implementation results so to ensure that the sustainable development strategy is fully implemented in the Company’s daily operations. The main responsibilities are illustrated as follows:</p> <p>(1) Draft the Company systems related to sustainable development and operation in addition to cooperate with the amendment of relevant regulations.</p> <p>(2) Supervise the Company’s direction and promotion plan for sustainable development policy and regularly follow up the execution progress.</p>	No major discrepancy

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>(3) Routinely evaluate the execution performance of the Company's sustainable development plan and report to the Board for annual execution outcome.</p> <p>(4) Other matters resolved by the Board for instruction to the Committee for processing.</p> <p>2. The Company's Governance and Sustainable Development Committee holds at least one meeting every year and reports the current year's implementation results and next year's implementation plan to the Board of Directors, and also conducts annual internal performance evaluations. A self-assessment of the Committee's performance was conducted on December 24, 2025, covering the period from December 1, 2024 to November 30, 2025. The evaluation items mainly included the Committee's level of participation in company operations, understanding of the responsibilities of functional committees, improvement of the decision-making quality of functional committees, the composition and selection of members of functional committees. This evaluation adopted a self-assessment method by committee members, conducted through questionnaires. All evaluation results were "Excellent," indicating effective and sound operation overall. The 2025 performance evaluation results were reported to the Board of Directors on February 24, 2026. From 2025 through the date of publication of this annual report, the operations of Governance and Sustainable Development Committee were as follows:</p>	

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons								
	Yes	No	Summary									
			<table border="1"> <thead> <tr> <th>Date</th> <th>Agenda</th> <th>Resolution and Action Taken</th> </tr> </thead> <tbody> <tr> <td>2025.08.26 3rd session 1st Meeting</td> <td>1. The Company's 2024 Sustainability Report has been completed.</td> <td rowspan="2">Unanimously passed upon chair's request, and by the Board</td> </tr> <tr> <td>2025.12.24 3rd session 2nd Meeting</td> <td>1. Amendments to Certain Articles of the "Sustainable Development Best Practice Principles". 2. Amendments to Certain Articles of the "Corporate Governance Best Practice Principles".</td> </tr> </tbody> </table> <p>3. The Board of Directors has designated the “Corporate Governance and Sustainable Development Committee” as the highest authority to supervise the review and management of the Company’s ESG action plan; also, the subordinate unit, the corporate governance team, is to summarize the progress regularly and to report to the Corporate Governance and Sustainable Development Committee and the Board of Directors regularly every year. In terms of communicating material events, key issues are reported and communicated at each Board meeting through the corporate governance officer and internal audit mechanism; also, the information disclosure of greenhouse gas inventory and verification is communicated to the Board of Directors on a quarterly basis.</p> <p>4. The 2025 Governance and Sustainable Development Committee training program consists of two sessions: “Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports” and “Sustainability Disclosure Trends: The Issuance, Impact, and Responses to IFRS S1 and S2 Sustainability Disclosure Standards” totaling 6.0 hours per person.</p>	Date	Agenda	Resolution and Action Taken	2025.08.26 3rd session 1st Meeting	1. The Company's 2024 Sustainability Report has been completed.	Unanimously passed upon chair's request, and by the Board	2025.12.24 3rd session 2nd Meeting	1. Amendments to Certain Articles of the "Sustainable Development Best Practice Principles". 2. Amendments to Certain Articles of the "Corporate Governance Best Practice Principles".	
Date	Agenda	Resolution and Action Taken										
2025.08.26 3rd session 1st Meeting	1. The Company's 2024 Sustainability Report has been completed.	Unanimously passed upon chair's request, and by the Board										
2025.12.24 3rd session 2nd Meeting	1. Amendments to Certain Articles of the "Sustainable Development Best Practice Principles". 2. Amendments to Certain Articles of the "Corporate Governance Best Practice Principles".											

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons								
	Yes	No	Summary									
			Moreover, the Company established the SMP Department (Sustainable Manufacturing Performance Department) in Fujian Sunshine Footwear Co., Ltd., whose scope of responsibility and function includes lean production, environmental engineering and human resources, with a specialist dedicated to each section and reporting to the departmental supervisor.									
<p>2. Does the Company conduct risk assessment on the environmental, social and corporate governance agenda related to corporate operation according to the principles of materiality (Note), in addition to establishing relevant risk management policies or strategies?</p> <p>Note: The principle of materiality refers to environmental, social and corporate governance issues that have a significant impact on company investors and other stakeholders.</p>	✓		<p>1. This disclosure information covers the Company's sustainable development performance in main production bases in 2025. The risk assessment boundary is mainly based on the Company, including the Taiwan Headquarters, China, Cambodia, Vietnam, and Indonesia.</p> <p>2. The Company conducts risk assessment of material issues in accordance with the principles of materiality for sustainable development and, based on the identified risks, establishes relevant risk management policies or strategies as follows:</p> <table border="1"> <thead> <tr> <th>Material Issue</th> <th>Risk Assessment Item</th> <th>Risk Management Policies or Strategies</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Environmental</td> <td>1. Energy management</td> <td>The Company continuously enhances the efficiency of resource utilization and reduces greenhouse gas emissions by implementing solar power generation, ground source systems, fully closed steam condensate recovery systems, and replacing traditional lighting with LED lighting, in order to achieve its <u>greenhouse gas reduction targets</u>.</td> </tr> <tr> <td>2. Waste control</td> <td>The Company's factories strive to reduce waste by selling scrap materials, recycling and remanufacturing scrap materials during production, or training employees to minimize waste generation in compliance with local laws and regulations.</td> </tr> </tbody> </table>	Material Issue	Risk Assessment Item	Risk Management Policies or Strategies	Environmental	1. Energy management	The Company continuously enhances the efficiency of resource utilization and reduces greenhouse gas emissions by implementing solar power generation, ground source systems, fully closed steam condensate recovery systems, and replacing traditional lighting with LED lighting, in order to achieve its <u>greenhouse gas reduction targets</u> .	2. Waste control	The Company's factories strive to reduce waste by selling scrap materials, recycling and remanufacturing scrap materials during production, or training employees to minimize waste generation in compliance with local laws and regulations.	No major discrepancy
Material Issue	Risk Assessment Item	Risk Management Policies or Strategies										
Environmental	1. Energy management	The Company continuously enhances the efficiency of resource utilization and reduces greenhouse gas emissions by implementing solar power generation, ground source systems, fully closed steam condensate recovery systems, and replacing traditional lighting with LED lighting, in order to achieve its <u>greenhouse gas reduction targets</u> .										
	2. Waste control	The Company's factories strive to reduce waste by selling scrap materials, recycling and remanufacturing scrap materials during production, or training employees to minimize waste generation in compliance with local laws and regulations.										

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons											
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Material Issue	Risk Assessment Item	Risk Management Policies or Strategies													
Social	1.Conflict minerals	The Company takes social and environmental responsibilities. It has conflict minerals management policies in place and sources materials from companies that share common values. Specific measures include auditing suppliers and asking suppliers to conduct investigations of places of origin and due diligence, so as to ensure that the materials do not contain conflict minerals													
	2.Occupational safety	The Company abides by internationally accepted basic human rights, and formulates human rights policies in accordance with local labor-related laws and regulations in hopes of providing employees an equal, safe, and healthy workplace.													
Corporate Governance	Socio-economic and legal compliance	The Company has the "Sustainable Development Best Practice Principles" in place to implement corporate governance, promote environmental sustainability, and maintain social welfare. A governance organization and internal control mechanisms are also set up to ensure that all employees and operations of the Company comply with relevant laws and regulations.													

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
3. Environmental issues				
(1) Does the Company establish applicable environmental management system according to the industry characteristics?	✓		(1) The Company complies with the relevant environment, safety and health laws, regulations and other rules in all countries and regions. The Company also complies with the provisions of brand clients regarding improved environment, safety and health management. Moreover, the Company promotes environmental protection and energy-saving programs in zero plastics, waste recycling, water-based chemicals, waste water recycling, and replacement of clean energy, with continuous efforts in promoting safe, healthy and sustainable environment. With regard to environmental engineering, the Company is committed to mitigation measures in energy consumption, waste gas, wastewater, and waste. The wastewater discharge by Company's production bases complies with the discharge standards required by the local government.	No major discrepancy
(2) Does the Company commit to upgrading the utilization of resources and use of recycled materials with low environmental impact?	✓		(2) The Company continues to promote energy management and recycling and improve the utilization of resources. In 2025 the Company's main production bases generated 1,152,057 KG of non-hazardous waste and 47,821 KG of hazardous waste and incurred NT\$ 4,940 thousand on environmental protection. Major energy-saving projects are as follows:	No major discrepancy

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>A. Taiwan Headquarters, Fujian Sunshine Footwear Co., Ltd., Hubei Sunsmile Footwear Co., Ltd., Sunny Footwear Co., Ltd., Lin Wen Chih Sunbow Enterprises Co., Ltd., Fulgent Sun Footwear Co., Ltd., implemented solar power generation construction to reduce fuel consumption and environmental pollution generated from traditional power generation. The total power generated is 12,098.91 MWh, reducing carbon emission by 7,795.18 CO₂/tons, equivalent to 236.22 hectares of afforestation.</p> <p>B. The original steam condensate recovery system was changed into a fully closed-loop system, which will improve the recovering temperature and usage rate of steam, and thereby to condensate and to save boilers' fuel consumption. This saved 20%~50% of energy generated by traditional coal-fired boilers and saved 10%~30% of energy generated by traditional cooling devices.</p> <p>C. Water saving was the priority, followed by water efficiency. The specific approaches included the use of energy-saving faucets, awareness promotion, and the reuse of recycled domestic wastewater in irrigation and flushing toilets. Taiwan Headquarters applied for the "Water Supply Monitoring Information Platform" in 2025 to monitor water usage status around the clock. Once the equipment installation is complete, it is expected to provide alarm and early warning functions to effectively manage the water supply system.</p>	

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons								
	Yes	No	Summary									
(3) Does the Company evaluate the potential risk and opportunities of climate change on enterprises now and in the future, in addition to taking response actions to climate related issues?	✓		D. Fujian Sunshine Footwear Co., Ltd. and Hubei Sunsmile Footwear Co., Ltd. began implementing ISCC (International Sustainability and Carbon Certification) certification in 2025 to comply with the EU Renewable Energy Directive (RED II) regarding sustainability and greenhouse gas emission reduction. The Company obtained certification through SGS external verification in June 2025. In the future, we will continue to steadily transition toward our environmental sustainability goals through the application of sustainable materials.	No major discrepancy								
			(3)									
			<table border="1"> <thead> <tr> <th>Risk Identification</th> <th>Dimension</th> <th>Consideration of Risk Dimension</th> <th>Action Taken</th> </tr> </thead> <tbody> <tr> <td>Laws and regulations</td> <td>Greenhouse gas inventory declaration Greenhouse gas emission cap control</td> <td>Carbon payment Increase of operational costs Limited capacity expansion</td> <td>Reduction in greenhouse gas emissions Utilization of environmental and sustainable raw materials Low-carbon production and energy use Improvement in use and efficiency of existing resources</td> </tr> <tr> <td>Climate disasters</td> <td>Production interruption or reduction caused by wind, flood, draught, and extreme weather</td> <td>Impact on capacity Declined revenue and property loss</td> <td>Increase in employees' awareness of disaster prevention Purchase of disaster prevention equipment Purchase of property insurance</td> </tr> </tbody> </table>		Risk Identification	Dimension	Consideration of Risk Dimension	Action Taken	Laws and regulations	Greenhouse gas inventory declaration Greenhouse gas emission cap control	Carbon payment Increase of operational costs Limited capacity expansion	Reduction in greenhouse gas emissions Utilization of environmental and sustainable raw materials Low-carbon production and energy use Improvement in use and efficiency of existing resources
Risk Identification	Dimension	Consideration of Risk Dimension	Action Taken									
Laws and regulations	Greenhouse gas inventory declaration Greenhouse gas emission cap control	Carbon payment Increase of operational costs Limited capacity expansion	Reduction in greenhouse gas emissions Utilization of environmental and sustainable raw materials Low-carbon production and energy use Improvement in use and efficiency of existing resources									
Climate disasters	Production interruption or reduction caused by wind, flood, draught, and extreme weather	Impact on capacity Declined revenue and property loss	Increase in employees' awareness of disaster prevention Purchase of disaster prevention equipment Purchase of property insurance									

Project Promotion	Implementation Status				Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons		
	Yes	No	Summary				
(4) Has the Company compiled the greenhouse gas emission, water consumption and total waste weight in the last two years, in addition to formulating policies on energy-saving, greenhouse gas emission, reduction of water consumption, or otherwaste management?	✓		Risk Identification	Dimension	Consideration of Risk Dimension	Action Taken	No major discrepancy
			Other factors	Stakeholders' request for greenhouse gas emission cap control	A negative corporate image due to failure to meet the stakeholders' request	Green production	
			(4) A. The company plans to achieve a 6% reduction in greenhouse gas emission intensity (Scope 1+2) by 2030 compared to the base year of 2024. To this end, the greenhouse gas emission intensity (Scope 1+2) for our Taiwan Headquarters, Fujian Sunshine Footwear Co., Ltd., Fulgent Sun Footwear Co., Ltd., and Lin Wen Chih Sunbow Enterprises Co., Ltd. in 2024 was 3.4493 t-CO ₂ e/NT\$ million, which will serve as the base period for comparison with the 2030 greenhouse gas emission intensity. The Company also plan to reduce total annual water consumption by 3% to 5%. B. In 2024, the Company officially launched a greenhouse gas inventory project. With the core goal of "net-zero carbon emissions" and to fulfill our corporate sustainability responsibility, the Company have begun to carry out greenhouse gas inventories in multiple manufacturing sites. In 2025, the inventory boundary at its Taiwan Headquarters was expanded to include Scope 3 emissions, and verification schedules have been jointly planned with the verification body.				

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>C. Each production base continues to promote optimization and improvement measures for the use of energy such as water, electricity, oil, and gas. These include adjusting the ventilation and exhaust systems in the factory workshops to reduce the load on air conditioning, and strengthening the control of air conditioning temperatures in operating areas and offices to improve energy efficiency and achieve greenhouse gas reduction targets.</p> <p>D. For information on greenhouse gas emissions, water consumption, and total waste weight over the past two years, please refer to the Company's "Sustainability Report" and Section III, 3. (6) of the "Climate-related information of TWSE/TPEX listed companies."</p>	
<p>4. Social issues</p> <p>(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓		<p>(1) The Company fully complies with internationally recognized basic human rights such as the "Universal Declaration of Human Rights," the "UN Guiding Principles on Business and Human Rights," the "United Nations Global Compact," and the "International Labour Organization Conventions," and abides by the labor laws and regulations of the Company's locations. It has established appropriate management methods and procedures to prevent any infringement or violation of human rights, provide employees with a safe working environment, coordinate labor-management relations, and maintain</p>	No major discrepancy

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
(2) Does the Company develop and implement reasonable employee welfare measures (including salary, leave, and other benefits) in addition to reflecting the managerial performance or outcome appropriately on employee salary?	✓		<p>employees' physical and mental health and work-life balance. The occupational health management department and human resources (including training) department hold labor-management meetings and announce relevant information from time to time.</p> <p>(2)A. To protect employees' rights and interests and smooth communication, the Company has set up the "Investors" section on the Company website. If no or invalid response is received from supervisors regarding any complaints or recommendations during service, all employees may be assured of proper handling by leaving a message on the website, complaint in person, or sending an e-mail.</p> <p>B. The Company has provided employees with multiple welfare policies. Apart from the regulatory labor insurance, health insurance, pension funds appropriated and parental leave, the Company also distributes gift vouchers for three major holidays, employee group insurance as well as other welfare measures that contribute to labor-management harmony.</p> <p>C. The Company provides competitive salaries and rewards. Salaries are determined by referring to job titles, job levels, education (experience), professional abilities and responsibilities, etc. Bonuses are determined by referring to performance evaluation items, including financial indicators (company revenue, net income before tax, net income, etc.) in order to share the operating results of the</p>	No major discrepancy

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>Company with all employees. The Company aims to provide a reasonable and competitive salary system through salary surveys by referring to professional capabilities (financial accounting, business management, industry knowledge and decision-making ability, etc.) and work performance in the current year.</p> <p>D. The compensation system for frontline employees is based on no less than 1% of the Company's pre-tax net profit, with adjustments made after considering seniority and annual performance reviews, thereby motivating all colleagues to work together towards the Company's goals. In 2025, the Company granted salary increases for entry-level employees at a level higher than 1% of the 2024 pre-tax profit.</p> <p>(3) The Company offers employees health examinations on a regular basis to improve the awareness of their health conditions. In the operating environment, all new employees are required to receive safety and health training; those operating special machines and equipment are required to receive special safety training. In special workplaces, employees shall wear personal protective equipment correctly. In the operating environment which may generate dust or organic solvent steam, employees shall wear masks. In a noisy environment, employees shall wear earplugs. Other preventive measures taken in production bases included the installation of speed bumps, ventilation systems, silencers, and machine safety devices.</p>	No major discrepancy

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>A. Unit or person in charge of environmental, health, and safety management: The occupational health management department monitors the warnings and notices of occupational diseases and hazards regularly or from time to time, and examines whether warning signs are clean and legible at least every six months. If warning signs are found damaged, deformed, or faded, they shall be repaired or replaced immediately. Each workshop shall identify occupational diseases and hazards based on the requirements of the Warning Signs for Occupational Hazards in the Workplace (GBZ158) and report warning signs required for the operation to the authority in charge of occupational health management; after reviewing and approving the warning signs reported by each workshop, the authority in charge of occupational health management will purchase the qualified warning signs to ensure the implementation of the warning and notification system.</p> <p>B. Safety and health management systems and measures: (A) Occupational health promotion education and training system The occupational health management department shall work with the employee training department to ask for opinions on occupational health training according to laws and regulations and needs of positions, make and implement the</p>	

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>occupational health training plan, and ensure the provision of training resources. The department shall also keep records of training and create training files, classify training, and evaluate the results of training for future improvement.</p> <p>(B) Maintenance and inspection system for occupational disease and hazard protective facilities</p> <ol style="list-style-type: none"> a. The occupational health management department shall examine the occupational disease and hazard protective facilities once a month; departments of use shall examine the protective facilities every week; workers on duty shall record the operation of the facilities every day. b. The occupational health management department shall work with the equipment management department to make and implement the maintenance plan for occupational disease and hazard protective facilities based on the needs of departments, regularly examine the daily use, maintenance, and repair of the protective facilities, and keep related records. c. The equipment management department is responsible to repair the occupational disease and hazard protective facilities. When finding any malfunction, departments of use shall cut off the power and report to the equipment management department 	

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>immediately. They are not allowed to repair the facilities or proceed with production without permission.</p> <p>d. After the occupational disease and hazard protective facilities are maintained/repared, the maintenance/repair department shall clean up the site and confirm that the facilities are in proper working condition before handing them over to the departments of use with both parties' signatures affixed.</p> <p>e. Each workshop or department shall designate personnel responsible for the daily maintenance of occupational disease and hazard control facilities, and relevant maintenance records shall be properly maintained.</p> <p>C. Relevant verifications obtained by the company: Relevant verifications have not yet been obtained.</p> <p>D. In 2025 and as of the publication date of the annual report, the Company recorded 180 occupational accidents among its 29,247 employees, representing 0.62% of the total workforce.</p> <p>E. The number of fires, the number of casualties and the ratio of the number of casualties to the total number of employees, and related improvement measures in response to fires: Each of the Company's factories complies with local fire regulations and has installed relevant fire safety devices in accordance with</p>	

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
(4) Does the Company provide its employees with career development and training sessions?	✓		regulations. In 2025 and as of the publication date of the annual report, the Company had no fire incidents. (4) The Company supports employees' continuous growth through diverse learning channels, including onboarding programs, internal and external professional training, and leadership development courses. A comprehensive career development framework is also being gradually established. A total of 28,370 persons completed career training in 2025 for a total training time of 143,195.1 hours. For more information on employee training and development, please refer to the Company's "Sustainability Report."	No major discrepancy
(5) Does the Company establish any consumer protection policies and appealing procedures for the health and safety of customers, in accordance with the laws and international standards governing products, services, customer privacy, marketing, and labeling?	✓		(5)A. Regarding customer relations and communication management, we maintain continuous interaction with customers through regular (or ad-hoc) meetings and visits, performance reviews, and audits. We have established dedicated service windows at our Taiwan headquarters and various factories to support the planning and implementation of environmental management, social responsibility, and hazardous substance control. This not only provides timely and sufficient information to meet the relevant requirements of downstream, end-customer, or public sector entities, but also coordinates with clients' Corporate Social Responsibility plans to execute necessary activities, investigations, verifications, audits, and related data collection. B. The Business Department promptly responds to customer feedback regarding the Company's performance evaluations and continuously	No major discrepancy

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>tracks the improvement progress of relevant departments. It also identifies potential problems through data analysis, compiles relevant reports, and submits them to senior management for reference in operational strategies and improvement policies. Meanwhile, the Company's customer complaint management mechanism requires relevant departments to respond to customers within 24 hours of receiving a complaint and provide preliminary analysis results within 5 business days. The on-time response rate for customer complaints reached 90% in 2025. The Company's customer communication and complaint contact information is as follows:</p> <p>Customer Communication Website: https://www.fulgentsun.com/contact01.asp</p> <p>Customer Communication / Customer Complaints: lisa.zhao@fulgentsun.com</p> <p>C. In terms of product quality management, the Company is currently a member of SATRA (UK) and has obtained its accredited laboratory qualification. SATRA provides footwear research and related testing services according to international standards. The Company follows SATRA's standards for quality classification, checking aspects such as color, material, texture, and specifications through material sampling and testing to ensure the quality of raw materials. For finished shoes, tensile and washing tests are conducted to verify the product's durability and ensure consistent quality.</p>	

Project Promotion	Implementation Status			Discrepancies in the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons							
	Yes	No	Summary								
(6) Does the Company establish supplier management policy to request suppliers for the relevant regulations in environmental production, occupational safety and health or human rights for labor, as well as the implementation status?	✓		<p>The company has also implemented ISO quality management standards and passed ISO9001:2008 certification. With customer satisfaction as the core, we implement the "PDCA Cycle Management" mechanism of Plan, Do, Check, and Act to ensure product quality and compliance with regulations.</p> <p>(6) The Company has based on the concept of cooperation to establish a "Supplier Management Policy" in order to implement sustainable requirements in the daily management of the supply chain, including the principles of localized supply, energy use, water resource management, waste resource recycling, etc. The Company also carefully defines and selects qualified suppliers and establishes close working relationships through appropriate supplier evaluation operations. If a supplier violates its corporate social responsibility and environmental protection and fails to make improvements after being informed, the Company may have the contract terminated or cancelled at any time. The specific practices of supply chain management are as follows:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Specific Practice</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Supplier Evaluation</td> <td>Must pass supplier evaluation and follow the supplier code of conduct.</td> </tr> <tr> <td>Must comply with EU REACH and RSL regulations.</td> </tr> <tr> <td>Supplier Audit</td> <td>The Company evaluates suppliers in terms of quality, delivery time, service, and sustainability; also, the Company's CSR team follows up on suppliers' corrective actions so to jointly improve quality.</td> </tr> </tbody> </table>	Item	Specific Practice	Supplier Evaluation	Must pass supplier evaluation and follow the supplier code of conduct.	Must comply with EU REACH and RSL regulations.	Supplier Audit	The Company evaluates suppliers in terms of quality, delivery time, service, and sustainability; also, the Company's CSR team follows up on suppliers' corrective actions so to jointly improve quality.	No major discrepancy
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5. Does the Company refer to the standards or guidelines for preparing international standard reports for the preparation of sustainability report and other reports disclosing non-financial information of the Company? Has the aforementioned report acquired validation or opinion of guarantee from third certification body?	✓	✓	<p>1. The Company issued the 2024 Sustainability Report in August 2025 and established a dedicated Sustainability Report section on the Company's official website. The Sustainability Report was prepared in compliance with the Global Reporting Initiative (GRI) released GRI Standards, and disclose industry indicator information by referring to the standards of the Sustainability Accounting Standards Board (SASB). The report is available in both Chinese and English, with relevant information disclosed on the Company website and the Market Observation Post System (MOPS).</p> <p>2. The Company's 2024 Sustainability Report has not acquired the opinion of accountability or assurance from third party.</p>	<p>No major discrepancy</p> <p>The company will obtain validation or opinion of guarantee from third certification body according to the demand.</p>						

6. If the Company has established its own corporate social responsibility best practice principles according to the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies, please state the difference: The Company has established the Corporate Social Responsibility Best-Practice Principles and the Corporate Governance and Sustainable Development Committee according to the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies to contribute to environmental protection, social services, welfare, consumer rights, human rights, safety and health, and other social responsibilities.

7. Other important information helpful in understanding corporate sustainable development operation:
Upholding the spirit of taking from society, giving back to society, the Company has actively participated in charitable activities to promote local education and social welfare with the Group's materials and human resources. The Company has established the Charitable Trust Fulgent Sun Group International Charity Fund to provide assistance for schools and groups in Yunlin through donation from time to time and to subsidize social activities organized by other production bases.

In 2025, the Group donated NT\$16,797 thousand to the following:

- (1) A donation of NT\$6,000 thousand to the National Taiwan University Hospital Yunlin Branch for the construction of a long-term care building and the development of geriatric medicine, and NT\$1,200 thousand to the Rongkang Medical Development Foundation, to promote the development of medical-related academic, teaching, and research.
- (2) Sponsored the Yunlin County Government with NT\$3,000 thousand to organize performing arts activities, covering drama, dance, Taiwanese opera, children's plays, puppet shows and folk song performances, spanning traditional and contemporary, and catering to the interests of all age groups, creating a rich and colorful cultural feast for the local community.
- (3) Sponsored Yunlin County with NT\$3,000 thousand to host the "2025 National Games", ensuring smooth administrative operations, sufficient funding for facilities, and rewards for outstanding athletes.
- (4) NT\$1,160 thousand for tuition, after-school tutoring, and related activities for underprivileged students in the Yunlin area to ensure their learning and growth.
- (5) Sponsored the Yunlin Family Support Center with NT\$1,000 thousand to hold the "Surrounded by Love, Warmth Along the Way" year-end carnival; donated NT\$50 thousand to the Yunlin County Government to purchase "Vulnerable Family Service Buses", and worked with other industrial park enterprises to contribute to society.
- (6) Sponsored NT\$700 thousand to schools and orphanages in the Yunlin area for the purchase of science popularization and children's public welfare reading magazines to help create a high-quality reading environment.
- (7) Fujian Sunshine Footwear Co., Ltd. donated NT\$459 thousand to Yang En University and Li Ming University in China to help improve school conditions and encourage teachers and students' enthusiasm for work and study.
- (8) Sunny Footwear Co., Ltd. donated NT\$87 thousand to local primary and secondary schools to help them with their education.
- (9) Our Vietnam factory sponsored festival activities and provided poverty relief of NT\$43 thousand to give back to the community.
- (10) Lin Wen Chih Sunbow Enterprises Co., Ltd. donated NT\$56 thousand to border residents as a way of giving back to the community.
- (11) PT. SUN BRIGHT LESTARI sponsored local elections, ancestral rites and festivals with NT\$42 thousand.

(6) Climate-related information of TWSE/TPEX listed companies

1. Implementation of climate-related information

Projects	Implementations
<p>1. Describe the management's supervision and governance of climate-related risks and opportunities</p>	<ul style="list-style-type: none"> • The Board of Directors of Fulgent Sun International (Holding) Co., Ltd. is the highest authority responsible for formulating climate strategies, approving action plans, and reviewing climate action plan performance results. The Board of Directors regularly reviews the annual climate-related action plans and results every year, and seeks the opinions of external experts and consultants as needed. The implementation progress of relevant action goals will be updated and amended annually in accordance with the instructions of the Board of Directors. • In terms of the authorization for the management of climate-related action, Fulgent Sun's Board of Directors mandated the "Corporate Governance and Sustainable Development Committee" to be responsible for stipulating climate-related policies, risk evaluation, and the promotion and review of energy-saving and carbon-reduction related projects. • The "Corporate Governance and Sustainable Development Committee" sets relevant performance goals every year to ensure that climate strategies can be integrated into the annual operating activities of each department, actively evaluates and controls possible operational risks, and regularly reports performance results to the Board of Directors.
<p>2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finance (short-term, mid-term, and long-term).</p>	<p>Short-term:</p> <ul style="list-style-type: none"> • Physical risk 1: Immediate (severity of extreme weather events such as typhoons and floods) • Impact target 1: Service/capacity reduction or interruption • Physical risk 2: Immediate (earthquake) • Impact target 2: Service/capacity reduction or interruption <p>Mid-term:</p> <ul style="list-style-type: none"> • Physical risks: Long-term (changes in rainfall patterns and extreme changes in climate patterns) • Impact target: Increase in operating costs

Projects	Implementations
	<p>Long-term:</p> <ul style="list-style-type: none"> • The continuing development of climate change-related policies and actions and the shift to low-carbon, high-efficiency innovative technologies must be with the factors such as potential risks and operational impacts taken into considerations. For example, the increase in the losses caused by climate change will cause the rising risk of climate-related litigation; technological improvements and innovations will affect the competitiveness, production, and distribution costs of some organizations. • Organizations shall develop adaptive capabilities to cope with climate change while facing long-term changes in climate patterns in order to effectively manage climate change-related risks and to seize opportunities. It is necessary to consider owning long-term fixed assets, arranging intensive production, and using low-carbon energy to save energy costs.
<p>3. Describe the impact of extreme climate events and transition actions on finance</p>	<p>The impact of extreme climate events and transition actions on finance</p> <p>A. Capital expenditure: To achieve the 2030 target of reducing greenhouse gas emissions intensity (Scopes 1 and 2) by 6% compared to 2024, each plant must implement an energy-saving management plans that involves phasing out outdated equipment and improving equipment efficiency.</p> <ul style="list-style-type: none"> • It is necessary to implement centralized production and load control plans in order to improve power saving within the factory and to comply with relevant laws and regulations/customers' energy-saving and carbon-reduction requirements. • The purchase, upgrading and repair of the aforementioned production equipment will be included in the annual capital expenditure to strengthen the Company's sustainable operating resilience, and long-term competitiveness. <p>B. Benefits: Following the official implementation of the “Carbon Border Adjustment Mechanism (CBAM) by the EU in 2026, importers must purchase certificates for imported products.</p> <ul style="list-style-type: none"> • The price of these certificates is settled based on the average closing price of the EU's weekly carbon credit auctions. This mechanism is expected to directly drive the research and development of sustainable and low-carbon products and optimize the related economic benefits of both import and export trade. • The R&D unit strives to respond to the demand trend for sustainable and low-carbon products in the future, which can help increase the application of low-carbon materials and provide customers with more choices and services.

Projects	Implementations
	<ul style="list-style-type: none"> • By leveraging our access to information on low-carbon materials from various suppliers, we advise clients on selecting the most suitable materials, reduce the use of unsuitable materials, thereby lowering development costs and increasing operational efficiency. <p>C. Direct costs: The customers aim to be in line with the 2050 net-zero emission trend; therefore, we are requested by the customers to use renewable energy that accounts for a certain percentage of our operating revenue by 2025. Under these circumstances, we must actively source green energy, identify green power providers, evaluate green power prices, and purchase green power quotas required by customers/relevant regulations, lead to an increase in direct costs. The Company as been progressively purchasing solar energy equipment and has entered into cooperation agreements with solar equipment manufacturers.</p>
<p>4. Describe how climate risk identification, evaluation, and management processes are integrated into the overall risk management system.</p>	<p>Observe industry sustainability trends in long term, grasping, collecting, and identifying market trends and customer needs through diversified channels, and ensure that the regulatory developments, environmental protection trends, customer opinions, and competitor opinions can be reflected concretely and quickly to the process of identifying, assessing, and managing climate-related risks in manufacturing, industrial safety and environmental protection, R&D, and other core operations, as well as integration of the enterprise risk management mechanism through the job responsibilities of each responsible department.</p> <p>A. The “Corporate Governance and Sustainable Development Committee” regularly tracks the risk status of climate change-related issues every year. The representatives of each group within the Committee regularly implement TCFD projects and report the risk evaluation analysis results to the Committee with relevant mitigation measures adopted accordingly depending on the possibility of occurrence and degree of impact of the climate risk.</p> <p>B. In terms of process, the “Corporate Governance and Sustainable Development Committee” integrates the climate risk evaluation, analysis, and feedback opinions of each group into the existing risk evaluation and management mechanism so to ensure the climate-related issues that are significant to Fulgent Sun are properly evaluated and controlled, and the evaluation results are submitted to the highest representative of the Committee for review, and are reported to the Board of Directors occasionally in order to ensure that climate change-related risks are effectively integrated into Fulgent Sun’s corporate risk management process.</p>

Projects	Implementations
<p>5. If scenario analysis is used to assess resilience to climate change risks, the relevant scenarios, parameters, assumptions, analysis factors, and main financial impacts should be explained.</p>	<p>The Company has not yet conducted climate change risk scenario analysis.</p>
<p>6. If there is a transformation plan in response to climate-related risk management, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.</p>	<p>A. Carbon emissions and energy management goals Value the importance of environmental sustainability. All domestic and international factories of Fulgent Sun actively promote various energy and resource management and reduction actions, and gradually develop renewable energy (solar photovoltaics). Start from improving the environment and energy management systems, the Company gradually improve energy efficiency and reduce carbon emissions from the industry, and contribute to make net-zero emissions a success. We comply with the environmental laws and regulations of the countries and regions where we operate, and perfect the management of environmental activities in accordance with the relevant regulations of brand customers. The environmental protection and conservation projects are promoted in each factory to improve the efficiency of resource in use, such as scrap recycling, use of non-toxic chemicals, and water recycling, as well as continuously striving towards a sustainable environment.</p> <p>B. Waste management objectives Implement resource conservation, reduction, and recycling strategies forcefully. Adopt mechanisms such as source reduction, process waste reduction, and terminal recycling and disposal for general and industrial waste generated from production inputs in each factory in order to maximize efficient resource utilization and reduce the generation of waste in the factory. Industrial waste is effectively managed and treated in accordance with its characteristics in order to improve resource reuse efficiency. Qualified waste removal companies are contracted to clean up and transport hazardous waste. The contracted service providers are managed in accordance with the contract specifications with an onsite audit performed, when necessary, at any time to ensure that waste removal meets the requirements of the national regulations at where the Company operates.</p>

Projects	Implementations
	<p>C. Water resources management objectives</p> <p>The water used in each factory area is mainly tap water that is used as general domestic water. Wastewater is directly discharged into the national/municipal unit sewage treatment pipelines or treated in the factory at where the Company operates. Currently, Fulgent Sun’s wastewater discharge in each production base is in compliance with the emission standards stipulated by local laws and regulations.</p> <p>Regarding the use of water resources, Fulgent Sun adopts a strategy of “cherishing, saving, and reusing” to actively encourage employees to conserve water, promote various water-saving measures to improve water resource utilization efficiency, and aim for an annual reduction of 3%~5% per year.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for pricing should be stated.</p>	<p>The Company has not yet implemented carbon pricing currently.</p>
<p>8. If climate-related goals are set, information such as the relevant activities, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be detailed; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed should be detailed.</p>	<p>The Company established specific Scope 1 and Scope 2 targets in 2024, aiming to reduce greenhouse gas emission intensity by 6% by 2030 at its Taiwan Headquarters, Fujian Sunshine Footwear Co., Ltd., Fulgent Sun Footwear Co., Ltd., and Lin Wen Chih Sunbow Enterprises Co., Ltd. compared to 2024 levels. The Company also plans to complete a consolidated Scope 1 and Scope 2 inventory for all subsidiaries by 2026, and to have all factories undergo ISO 14064-1:2018 verification by 2027; During the reporting year, multiple facilities within the Group have conducted Scope 1 and Scope 2 greenhouse gas inventories, and the scope of the inventory for the Taiwan Headquarters was expanded to include Scope 3. The Group aims to identify carbon emission hotspots through the implementation of greenhouse gas inventories and formulate relevant carbon reduction plans to lower greenhouse gas emissions.</p>

Projects	Implementations															
<p>9. Greenhouse gas inventories and verification status, along with reduction targets, strategies, and specific action plans.</p>	<p>The Company is a publicly listed company with a paid-in capital of less than NT\$5 billion. In addition to conducting greenhouse gas inventories at multiple factories (including our Taiwan headquarters) in 2024, we expanded the scope of our Taiwan headquarters inventory to include Scope 3 emissions for 2025. For more information on greenhouse gas emissions, please refer to our “Sustainability Report”.</p> <p>A. Greenhouse Gas Inventory Information for the Taiwan Headquarters:</p> <table border="1" data-bbox="875 392 2042 584"> <thead> <tr> <th>Item</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Scope 1 (Note 1)</td> <td>39.47 t-CO₂e</td> <td>36.00 t-CO₂e</td> </tr> <tr> <td>Scope 2 (Note 2)</td> <td>123.19 t-CO₂e</td> <td>123.56 t-CO₂e</td> </tr> <tr> <td>Total Emissions</td> <td>162.66 t-CO₂e</td> <td>159.56 t-CO₂e</td> </tr> <tr> <td>Emission intensity (Note 3)</td> <td>0.2118 t-CO₂e/NT\$ million</td> <td>0.1920 t-CO₂e/NT\$ million</td> </tr> </tbody> </table> <p>Note 1: Scope 1 includes diesel, liquefied petroleum gas, gasoline, refrigerants, septic tanks, and other fugitive emissions. Note 2: Scope 2 is purchased electricity. Note 3: Emission intensity is calculated as t-CO₂e per NT\$ million of revenue. Note 4: The standard for greenhouse gas inventories is ISO 14064-1:2018.</p> <p>B. Greenhouse Gas Verification Information: Verification for the past two years has not yet been completed; however, the Company is currently actively coordinating with the verification agency and has already planned the subsequent verification process.</p> <p>Base period and reduction targets for greenhouse gas reduction:</p> <ul style="list-style-type: none"> As part of our greenhouse gas reduction strategy, we plan to reduce our greenhouse gas emission intensity (Scope 1+2) by 6% by 2030 compared to the 2024 greenhouse gas emission intensity (Scope 1+2) of our Taiwan Headquarters, Fujian Sunshine Footwear Co., Ltd., Fulgent Sun Footwear Co., Ltd., and Lin Wen Chih Sunbow Enterprises Co., Ltd., which is 3.4493 t-CO₂e/NT\$ million. In the future, we will further implement concrete actions to achieve the 6% reduction by 2030 compared to the base year of 2024, and reduce emissions by at least 1% annually starting from 2025 to achieve the 6% reduction target by 2030. 	Item	2024	2025	Scope 1 (Note 1)	39.47 t-CO ₂ e	36.00 t-CO ₂ e	Scope 2 (Note 2)	123.19 t-CO ₂ e	123.56 t-CO ₂ e	Total Emissions	162.66 t-CO ₂ e	159.56 t-CO ₂ e	Emission intensity (Note 3)	0.2118 t-CO ₂ e/NT\$ million	0.1920 t-CO ₂ e/NT\$ million
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Emission intensity (Note 3)	0.2118 t-CO ₂ e/NT\$ million	0.1920 t-CO ₂ e/NT\$ million														

Projects	Implementations
	<p>Greenhouse gas reduction strategies and specific actions:</p> <ul style="list-style-type: none"> • To achieve environmental sustainability, the Company actively implement energy and resource management and reduction plans at our various plants, and have gradually introduced renewable energy sources (such as solar photovoltaic). Through our comprehensive environmental and energy management system, the Company continuously improve energy efficiency, contributing to industrial carbon reduction and the transition toward "net-zero emissions." Currently, the Company are systematically implementing and improving greenhouse gas inventory management at our various plants, and have planned a third-party verification schedule. The Company are also gradually replacing outdated equipment, improving equipment efficiency, and implementing solar power generation projects. • To incentivize senior managers, outstanding key professionals, and all employees to prioritize long-term comprehensive performance and achieve sustainable operations, the Company links its sustainable development strategy objectives to the incentive compensation of the President and Vice Presidents, thereby implementing the principle of accountability. For details on the performance indicators for the President and Vice Presidents, please refer to P23, Section III. 2. (5) B. (B) The procedure for determining remuneration and its correlation with operating performance and future risks.

(7) Implementation of Ethical Corporate Management, Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies, and Reasons for Such Discrepancies:

Evaluation Item	Implementation Status		Summary	Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No		
1. Formulating policies and plans for ethical corporate management				
(1) Has the Company clearly indicated policies and activities related to ethical corporate management in its bylaws and external documents, and are the Company's directors and management actively fulfilling their commitment to corporate policies?	✓		(1) The Company has established "The Ethical Corporate Management Best-Practice Principles", which stipulate that the Company's directors, managerial officers and employees shall implement ethical corporate management.	No major discrepancy
(2) Has the Company established an evaluation mechanism for risks associated with unethical conducts and regularly analyzes and evaluates business activities subject to higher risk of unethical conducts within the scope of business? Has the Company	✓		(2) The Company's Ethical Corporate Management Best-Practice Principles clearly stipulate the prohibition of unethical conduct; the Company's Codes of Ethical Conduct also stipulate the avoidance of personal interests, fair trade, legal compliance, and reporting of illegal or unethical conduct. Any violations are subject to the punishments prescribed in the personnel regulations.	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
<p>developed measures for preventing unethical conducts, which at least covers the preventive measures under the items prescribed in Paragraph 2, Article 7 of the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?"</p> <p>(3) Has the Company stipulates operation procedures, conduct guide, disciplinary and grievance system for violation for preventing unethical conducts, in addition to implementing execution and regularly review and revise the aforementioned solution?</p>	✓		<p>(3) To strengthen the implementation of ethical corporate management, the Company's Ethical Corporate Management Best-Practice Principles clearly stipulate that operating activities with higher risks of involving in unethical conduct, including offering or acceptance of bribes, illegal political donations, improper charitable donations or sponsorship, offering or acceptance of unreasonable presents or hospitality, or other improper benefits, shall be prevented.</p>	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
2. Implementing ethical corporate management				
(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?	✓		(1) The Company's employees avoid commercial dealings with unethical suppliers, customers, or other trading partners. Once unethical conduct is identified, the Company will immediately suspend all dealings and blacklist the said suppliers, customers, or other trading partners.	No major discrepancy
(2) Has the Company established a full-time unit directly under the supervision of the Board, which is devoted to promoting corporate ethical business, and routinely (at least once a year) reporting the ethical management policies and solutions for preventing unethical conducts as well as the implementation to the Board?	✓		(2) The Company has the "Ethical Corporate Management Task Force" set up under the Corporate Governance & Sustainable Development Committee. Based on the tasks and responsibilities of each department, this full-time dedicated unit is responsible for helping the Board and management in formulating and supervising the ethical corporate management policies and prevention programs in order to ensure the implementation of the Ethical Corporate Management Best-Practice Principles. On December 24, 2025, the dedicated unit reported to the Board on the implementation of ethical corporate management for 2025:	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>A. Education and Training New employees of the Company are required to take the training on the Ethical Corporate Management Best-Practice Principles. Employees are also assigned to attend seminars organized by the competent authorities from time to time and later share relevant information with other employees in order to manage and prevent unethical conduct across the organization.</p> <p>B. Awareness promotion of ethics The Company upholds the spirit of “morality, wisdom, diligence, long-term cultivation,” based on which the Ethical Corporate Management Task Force promotes ethical corporate management policies and prevention programs. The concepts of integrity and business sustainability are constantly being instilled in all employees, urging employees to conduct business in an ethical manner without prejudice to the stakeholders’ interests.</p>	

Evaluation Item	Implementation Status			Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			<p>C. Grievance system and protection of whistle-blowers</p> <p>The Company encourages people inside and outside the organization to report unethical conduct or misconduct. Employees, shareholders, stakeholders, and people outside the organization can communicate with the Company through the “Stakeholder” section on the Company website. The Company keeps the identities of whistle-blowers and the contents of grievances absolutely confidential and allows anonymous reporting.</p> <p>When finding or being informed of any unethical conduct by employees, the Company will take immediate action to clarify the relevant facts. If such conduct is verified to have violated relevant laws and regulations or the internal ethical corporate management policies and regulations, the Company will ask the employees to stop such conduct immediately and take disciplinary actions as appropriate. Whenever necessary, the Company will resort to legal action to claim damages and protect its reputation and rights and interests.</p> <p>In 2025, there was neither grievance nor unethical conduct reported.</p>	

Evaluation Item	Implementation Status			Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
(3) Has the Company established policies preventing conflict of interest, provided proper channels of appeal, and enforced these policies and opened channels accordingly?	✓		(3) When the Company's employees discover, when performing business, any conflict of interests, the conflict has to be reported to an immediate supervisor, who shall provide appropriate guidance.	No major discrepancy
(4) Has the Company established effective accounting systems and internal control systems for enforcing ethical corporate management? Are regular audits carried out by the Company's internal audit unit or commissioned to a CPA?	✓		(4) The Company's audit unit leads the self-examination of internal controls, reviews the implementation, and evaluates the need for adjustment every year; the audit unit implements the internal controls based on the annual audit plan and reports the operation of audits to the Board of Directors on a regular basis.	No major discrepancy
(5) Does the Company regularly organize internal and external training on ethical corporate management?	✓		(5) The Company holds management meetings and weekly meetings to promote the concept and norms of integrity management to employees. In 2025, we conducted internal and external education and training on integrity management issues (including courses on integrity management code and legal compliance, accounting system and internal control) for 97 participants, totaling 48.5 hours.	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
3. Operation of whistle-blowing mechanisms in the Company				
(1) Has the Company established concrete whistle-blowing and rewarding systems and accessible whistle-blowing channels? Does the Company assign a suitable and dedicated individual for the case being exposed by the whistle-blower?	✓		(1) The Company's Ethical Corporate Management Best-Practice Principles clearly stipulate the whistle-blowing and grievance systems. Employees may report by the Company's e-mail. In case of material violations or damage to the Company, the Company shall make a report immediately and inform independent directors or the Audit Committee in writing.	No major discrepancy
(2) Has the Company stipulated standard operating procedures (SOP) and relevant systems of confidentiality for investigating the case being exposed by the whistle-blower?	✓		(2) The Company's Ethical Corporate Management Best-Practice Principles clearly stipulate that the identity of a whistle-blower and the case reported shall be kept confidential.	No major discrepancy
(3) Has the Company adopted protection against inappropriate disciplinary action for the whistle-blower?	✓		(3) The Company's Ethical Corporate Management Best-Practice Principles clearly stipulate the whistle-blowing system and confidentiality to protect whistle-blowers from inappropriate disciplinary action.	No major discrepancy

Evaluation Item	Implementation Status			Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
<p>D. Strengthening information disclosure</p> <p>Has the Company disclosed the content of its best practices on ethical corporate management and the effectiveness of its activities on its official website or the Market Observation Post System (MOPS)?</p>	✓		<p>In pursuit of information transparency, the Company has disclosed information on corporate finance, business, and governance on the Company website. The Ethical Corporate Management Best-Practice Principles and the Codes of Ethical Conduct have been published on the Company website. All employees are required to comply with these Principles and Codes. A person has been designated to publish company information on the MOPS and the Company website on a regular basis to provide investors correct and complete information.</p>	No major discrepancy
<p>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 discrepancy between the prescribed best practices and actual activities taken by the Company:</p> <p>The Company has established the Ethical Corporate Management Best-Practice Principles and the Codes of Ethical Conduct to implement ethical corporate management and prevent unethical conduct.</p>				
<p>6. Any important information useful for understanding the state of ethical corporate management:</p> <p>The Company always has dealings with counterparts in good faith and promotes its ethical corporate management to both counterparts and employees at any time.</p>				

(8) Other Important Information for Better Understanding of Implementation of Corporate Governance:

- A. Corporate Governance Best-Practice Principles
- (A) Immediate disclosure of important information.
 - (B) Good communication between the Board of Directors and the management.
 - (C) A certain percentage of independent directors.
 - (D) Establishment of the Audit Committee, which ensures the independence and fairness of the CPAs.
 - (E) Establishment of the Salary and Remuneration Committee, which strengthens corporate governance and consolidates remunerations paid to directors and managerial officers.
 - (F) Voting of proposals one by one in Board meetings for fully implementing the exercise of shareholders' rights.
 - (G) Compliance with the Codes of Ethical Conduct, ethical corporate management, and internal audits.
- B. To facilitate the understanding of and compliance with the Procedures for Handling Material Inside Information among employees, managerial officers, and directors, the Company has included these Procedures in the internal control system, so as to reduce risks of insider trading.
- C. The Company's personnel related to financial information transparency have obtained the following certificates designated by the regulator:

Name of Certification	Certification Issuer	Number of Persons
Senior Examination for Certified Public Accountants	Examination Yuan	1
General Examination for Bookkeepers	Examination Yuan	2
Stock Affairs Specialist	Securities & Futures Institute	2
The Enterprise Internal Control Basic Ability	Securities & Futures Institute	1

D. The following is the continuing education of managerial officers in 2025 and up to the printing date of the Annual Report:

Title	Name	Date	Organizer	Course	Hours
Group President	Fang-Chu, Liao	2025/5/28	Securities and Futures Institute	Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports	3
		2025/12/24	Securities and Futures Institute	Sustainability Disclosure Trends: The Issuance, Impact, and Responses to IFRS S1 and S2 Sustainability Disclosure Standards	3
Group Executive Vice President	Chih-Cheng, Liao	2025/5/20	The Institute of Internal Auditors-Chinese Taiwan	Analysis and Responses to Cases of Illegal Acts by Audit/Accounting Personnel	6
		2025/5/28	Securities and Futures Institute	Analysis of Case Studies and Legal Liabilities Regarding Greenwashing and Misleading Sustainability Reports	3
		2025/9/4	The Institute of Internal Auditors-Chinese Taiwan	Payroll Cycle and Labor Incident Law from the Perspective of Corporate Governance	6
		2025/11/17	The Institute of Internal Auditors-Chinese Taiwan	Sustainability Report Analysis and Sustainability Information Assurance Practices	6
		2025/12/24	Securities and Futures Institute	Sustainability Disclosure Trends: The Issuance, Impact, and Responses to IFRS S1 and S2 Sustainability Disclosure Standards	3
Group CFO	Chien-Chao, Hong	2025/11/3~2025/11/4	Accounting Research and Development Foundation	Continuing Education Program for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
Group Audit Manager	Chia-Jung, Shen	2025/5/24	The Institute of Internal Auditors-Chinese Taiwan	Internal Audit × ChatGPT: Advanced Collaboration Practice Exercise	6
		2025/10/14	The Institute of Internal Auditors-Chinese Taiwan	"Generative AI" and "AI Data Protection"—Essential Knowledge for Internal Auditors	6

(9) Implementation of Internal Control System

A. Statement of Internal Control System

Fulgent Sun International (Holding) Co., Ltd.

Statement of Internal Control System

Date: February 24, 2026

The Statement of Internal Control System is issued based on the self-assessment of the Company for 2025:

1. The Company acknowledges that the establishment, implementation and conservation of the internal control system are the responsibilities of the Board of Directors and the managers of the Company. The Company has constructed such system. The objectives of the internal control system 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. The internal control system has inherent constraints, and no matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the above-mentioned objectives. Moreover, the effectiveness of the internal control system may be altered from changes in the environment and under different situations. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company assesses for the effectiveness of the internal control system's design and practices through the effectiveness of internal control system, as stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as "the Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information and Communication; and (5) Monitoring Activities. Each constituent element includes a number of categories. Please refer to "the Regulations" for the aforementioned categories.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid items of determination for internal control system.
5. Based on the above assessment results, the Company determined that the Company's internal control system on December 31, 2025 (covering monitoring and management of its subsidiaries) has been effectively designed and implemented and sufficient to ensure that the objectives below are achieved, including understanding the degree of achievement of operational effectiveness and efficiency objectives, reliable, timely and transparent reporting and compliance of applicable rules, laws, regulations and bylaws.
6. This Statement will form an integral part of the Annual Report and the Prospectus of the Company. If the aforementioned content contains illegal matters such as any fraudulent or hidden information, the Company will be in question of breaching Articles 20, 32, 171, and 174 in the Securities and Exchange Act and face legal consequences.
7. The Statement has been approved by the Board of Directors on February 24, 2026. Among eight directors present, no director raised any objection. All of them agreed with the contents of this statement and made this statement.

Fulgent Sun International (Holding) Co., Ltd.

Chairman : Wen-Chih, Lin

President : Fang-Chu, Liao

- B. Any CPA commissioned to conduct a project review of the internal control system shall disclose the CPA's evaluation report: N/A.
- (10) Major resolutions made in/by the shareholders' meeting and the Board meetings in the most recent year and as of the printing date of the Annual Report:
- A. Major resolutions approved in the shareholders' meeting on May 28, 2025 and their implementation:
- (A) Adoption of 2024 consolidated financial statements and business report.
Implementation: The consolidated financial statements and business report for 2024 were adopted, with consolidated revenue of NT\$14,611,471 thousand, profit after tax of NT\$1,373,846 thousand, and earnings per share at NT\$7.23.
- (B) Adoption of distribution of 2024 earnings.
Implementation: The undistributed retained earnings from previous years amounted to NT\$2,996,593,781. Adding the 2024 net profit after tax of NT\$1,376,459,461, and after allocating NT\$137,645,946 to the statutory surplus reserve and reversing NT\$424,518,403 to the special surplus reserve, the distributable surplus is NT\$4,659,925,699.
- (C) Amendments to the "Memorandum and Articles of Association."
Implementation: The amendments to the "Memorandum and Articles of Association" were published on the Company website on May 29, 2025 and took effect thereon.
- (D) Election of Directors (including Independent Directors).
Implementation: 8 Directors (including 5 Independent Directors) were elected.
- (E) Lifting the non-competition restrictions on the newly appointed directors and their representatives.
Implementation: Completed in accordance with the Shareholders' Meeting resolution.
- B. Major resolutions approved in the Board meeting on February 25, 2025:
- (A) The Company's 2025 business plan.
- (B) The Company's 2024 statement of internal control system.
- (C) The Company's 2024 consolidated financial statements.
- (D) The Company's 2024 business report.
- (E) The Company's 2024 employee remuneration and director remuneration.
- (F) The Company's treasury shares are transferred to employees and set the base date for share subscription.
- (G) The Company's 2024 earnings distribution.
- (H) The Company's 2025 CPAs independence assessment and competency assessment.
- (I) The Company has commissioned the Taiwan Association of Board Governance to conduct the board performance evaluation project.
- (J) Authorization of Chairman to decide on the distribution of earnings of subsidiary company - Capital Concord Enterprises Limited.
- (K) Matters related to the re-election of the Company's directors (including independent directors).
- (L) The time and place for the Company's accepting and handling the proposals of the shareholders, including the related matters.
- (M) The proposal for approving and reviewing the list of candidates for directors (including independent directors) nominated by the Board of Directors.

- (N) The Proposal for lifting the non-competition restriction of newly-elected Directors and their representatives.
 - (O) Setting the date and agenda of the Company's 2025 shareholders' meeting.
 - (P) Proposed amendments to the personnel responsible for internal material information.
 - (Q) Acquisition of Shares in Medao Trading Co., Ltd. from Related Parties.
- C. Major resolutions approved in the Board meeting on May 8, 2025:
- (A) The Company's consolidated financial statements for the first quarter of 2025.
- D. Major resolutions approved in the Board meeting on May 28, 2025:
- (A) Election of the Chairman of the Seventh Board of Directors.
 - (B) Election of the Convenor of the Audit Committee.
 - (C) Appointment of members and election of the Convenor of the Salary and Remuneration Committee.
 - (D) Appointment of members and election of the Convenor of the Corporate Governance and Sustainable Development Committee.
- E. Major resolutions approved in the Board meeting on August 26, 2025:
- (A) The Company's consolidated financial statements for the second quarter of 2025.
 - (B) Authorization of Chairman to decide on the distribution of earnings of subsidiary company - Capital Concord Enterprises Limited.
 - (C) Distribution of director remuneration for 2024.
 - (D) Executive performance bonuses.
 - (E) The Company's 2024 Sustainability Report has been prepared.
 - (F) Change of custodian of the large and small seals of the "Endorsement Guarantee Seal".
 - (G) Amendments to Certain Articles of the "Regulations Governing the Issuance and Conversion of the Sixth Unsecured Convertible Corporate Bonds within the Republic of China".
 - (H) Amendments to Certain Articles of the "Personal Data Protection Management Operations".
 - (I) Proposal that "within three months from the date of Professor Chou Shu-ching's election as an independent director of the Company, the Company and National Yunlin University of Science and Technology shall complete the signing of an industry-academia cooperation and academic feedback mechanism agreement, effective retroactively from the date of her election".
 - (J) Amendments to the "Authorization Chart".
- F. Major resolutions approved in the Board meeting on November 6, 2025:
- (A) The Company's consolidated financial statements for the third quarter of 2025.
 - (B) The Company's business report and distribution of earnings for the first half of 2025.
 - (C) Amendments to Certain Articles of the "Rules of Procedure for Board of Directors Meetings" and "Procedures for Board Meeting Operations".
 - (D) Amendments to Certain Articles of the "Audit Committee Organization Procedures".
 - (E) Revised the proposal of the person in charge of major internal information.

G. Major resolutions approved in the Board meeting on December 24, 2025:

- (A) The Company's audit plan for 2026.
- (B) The Company's budget for 2026.
- (C) Distribution of 2024 employee remuneration for executives.
- (D) Distribution of the second half of 2025 performance bonuses and year-end bonuses for executives.
- (E) Amendments to Certain Articles of the "Sustainable Development Best Practice Principles".
- (F) Amendments to Certain Articles of the "Payroll Cycle - Recruitment, Selection, and Appointment Procedures".
- (G) Amendments to Certain Articles of the "Code of Conduct for Corporate Governance".

H. Major resolutions approved in the Board meeting on February 24, 2026:

- (A) The Company's 2026 business plan.
- (B) The Company's 2025 statement of internal control system.
- (C) The Company's 2025 consolidated financial statements.
- (D) The Company's 2025 business report.
- (E) The Company's 2025 employee remuneration and director remuneration.
- (F) The Company's 2025 earnings distribution.
- (G) The Company's 2026 CPAs independence assessment and competency assessment.
- (H) Authorization of Chairman to decide on the distribution of earnings of subsidiary company - Capital Concord Enterprises Limited.
- (I) Amendments to Certain Articles of the "Memorandum and Articles of Association".
- (J) The time and place for the Company's accepting and handling the proposals of the shareholders, including the related matters.
- (K) Setting the date and agenda of the Company's 2026 shareholders' meeting.
- (L) Proposed formulation of the Company's "Employee Remuneration Policy".

(11) Record or written statement of directors or supervisors holding different opinions on Major resolutions approved by the Board of Directors in the most recent year and as of the printing date of the Annual Report: None.

4. CPA Fees Information

Unit: NT\$ Thousand

Accounting Firm	Name of CPA	CPA's audit period	Audit Fees	Non-audit Fees	Total	Note
PwC Taiwan	Hua-Ling Liang	2025.1.1~ 2025.12.31	4,880	2,100 (Note)	6,980	Note: 1. Transfer pricing report \$1,100 thousand 2. Tax attestation \$795 thousand 3. Industrial and commercial registration \$205 thousand
	Yu-Chuan Wang	2025.1.1~ 2025.12.31				

(1) When the Company has changed the accounting firm, and in that particular fiscal year, the audit fee paid was less than that in the preceding fiscal year, the Company shall disclose the decreased amount and reason: None.

(2) When the audit fee decreases by 10% or greater than that in the previous fiscal year, the Company shall disclose the decreased amount, ratio, and reason: None.

5. Information on Replacement of Certified Public Accountants: None.

6. Chairman, President, or Managerial Officer in Charge of Finance or Accounting Having, in the Most Recent Year, Held a Position at the Accounting Firm of CPAs or at an Affiliated Company: None.

7. Equity Transfer or Changes in Equity Pledge of Directors, Supervisors, Managerial Officers, or Shareholders Holding Greater than 10% of the Company's Shares in the Most recent Year and as of the Printing Date of the Annual Report

(1) Changes in shareholding of directors, supervisors, managerial officers and major shareholders:

Unit: Shares

Title	Name	2025		As of the current year Ends March 28	
		Increase/ Decrease in Number of Shares Held	Increase/ Decrease in Number of Shares Pledged	Increase/ Decrease in Number of Shares Held	Increase/ Decrease in Number of Shares Pledged
Chairman	Wen-Chih, Lin (Note 1)	1,011,000	-	-	-
Director and Group President	Fang-Chu, Liao (Note 1)	822,821	-	974,000	-
Director and Group Executive Vice President	Chih-Cheng, Liao	20,000	-	-	-
Independent Director	Jin-Huang, Huang (Note 2)	-	-	-	-
Independent Director	Chun-An, Li (Note 2)	-	-	-	-
Independent Director	Chun-Ming, Wu (Note 2)	-	-	-	-
Independent Director	Shu-Ching, Chou	-	-	-	-

Title	Name	2025		As of the current year Ends March 28	
		Increase/ Decrease in Number of Shares Held	Increase/ Decrease in Number of Shares Pledged	Increase/ Decrease in Number of Shares Held	Increase/ Decrease in Number of Shares Pledged
Independent Director	Hui-Ying, Wang	-	-	-	-
Independent Director	Neng-Shu, Yang (Note 3)	-	-	-	-
Independent Director	Feng-Tsung, Cheng (Note 3)	-	-	-	-
Independent Director	Chien-Hsun, Wen (Note 3)	-	-	-	-
Group Executive Vice President	Ming- Hsien, Chen	28,000 (18,000)	-	-	-
Group Production Executive Vice President	Xu-Ming, Huang	-	-	-	-
Group President's Executive Assistant	Hui-Yi, Lin (Note 1, 4)	240,000	-	25,000	-
Group Operation Vice President	Wei-Ting, Lee (Note 5)	-	-	-	-
Group Development Vice President	Hua-Jun, Peng	-	-	-	-
Group CFO	Chien-Chao, Hung	10,000	-	-	-
Group Audit Manager	Chia-Jung, Shen	1,000	-	-	-

Note 1: Held directly or indirectly through its own individuals and overseas companies controlled.

Note 2: Independent Directors Jin-Huang, Huang, Chun-An, Li, and Chun-Ming, Wu stepped down upon the expiration of their terms on May 28, 2025.

Note 3: Independent Directors Neng-Shu, Yang, Feng-Tsung, Cheng, and Chien-Hsun, Wen took office on May 28, 2025.

Note 4: Hui-Yi, Lin was promoted from Group Operations Vice President to President's Executive Assistant on January 1, 2026.

Note 5: Wei-Ting, Lee was promoted to Group Operations Vice President on January 1, 2026.

- (2) Information on equity transfer: None of the Company's directors, managers, or shareholders holding more than 10% of the shares has any equity transfer.
- (3) Information on equity pledging: There is no circumstance in which the counterparty of the equity pledge is a related party.

8. Information on the relationship among the top 10 shareholders, spouses, or relatives within the second degree of kinship

March 28, 2026; Unit: shares; %

Name	Shares Held Personally		Shares Currently Held by Spouse and Minor		Total Shares Held in the Name of Others		Title or Name and Relationship of Top Ten Shareholders who Are Related Parties, Spouses, or Relatives within the Second Degree of Kinship		Remark
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relationship	
Custodial Account (LASPORTIVA INT'L CO., LTD.) Used by CTBC Bank (Note 1) Representative: Wen-Chih, Lin	26,022,444	12.95	26,746,154 (Note 2)	13.31	-	-	Custodial account (MEINDL INT'L CO., LTD.) used by CTBC Bank	Spouse	-
							Wen-Chih, Lin	Same as representative	-
							Custodial account (MOONLIGHT INT'L CO., LTD.) used by Capital Securities Corporation	Within first degree of kinship	-
Custodial Account (MEINDL INT'L CO., LTD.) Used by CTBC Bank (Note 1) Representative: Fang-Chu, Liao	24,418,802	12.15	31,040,379 (Note 3)	15.44	-	-	Custodial account (LASPORTIVA INT'L CO., LTD.) used by CTBC Bank	Spouse	-
							Wen-Chih, Lin	Spouse	-
							Custodial account (MOONLIGHT INT'L CO., LTD.) used by Capital Securities Corporation	Within first degree of kinship	-
Stock investment account of Pacific Capital UCITS-North & South EM Wholly Owned root managed by Citibank Taiwan	5,343,871	2.66	-	-	-	-	-	-	-
Wen-Chih, Lin	5,017,935	2.50	26,746,154 (Note 2)	13.31	26,022,444	12.95	Custodial account (MEINDL INT'L CO., LTD.) used by CTBC Bank	Spouse	-
							Custodial account (LASPORTIVA INT'L CO., LTD.) used by CTBC Bank	Same as representative	-
							Custodial account (MOONLIGHT INT'L CO., LTD.) used by Capital Securities Corporation	Within first degree of kinship	-
Taishin Life Insurance's Discretionary Equity Investment Account Managed by Taishin Asset Management (Phase 1)	3,750,000	1.87	-	-	-	-	-	-	-

Name	Shares Held Personally		Shares Currently Held by Spouse and Minor		Total Shares Held in the Name of Others		Title or Name and Relationship of Top Ten Shareholders who Are Related Parties, Spouses, or Relatives within the Second Degree of Kinship		Remark
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relationship	
New Labor Retirement Fund	3,418,200	1.70	-	-	-	-	-	-	-
Custodial Account (Yong Yang International) Used by CTBC Bank	3,348,219	1.67	-	-	-	-	-	-	-
Union Bank of Taiwan	3,157,621	1.57	-	-	-	-	-	-	-
Custodial account (MOONLIGHT INT'L CO., LTD.) used by Capital Securities Corporation (Note 1) Representative: Hui-Yi, Lin	3,003,720	1.49	165,459	0.08	-	-	Custodial account (LASPORTIVA INT'L CO., LTD.) used by CTBC Bank	Within first degree of kinship	-
							Custodial account (MEINDL INT'L CO., LTD.) used by CTBC Bank	Within first degree of kinship	-
							Wen-Chih, Lin	Within first degree of kinship	-
Nomura Premium Fund Account	2,817,118	1.40	-	-	-	-	-	-	-

Note 1: Shares are held indirectly through Wen-Chih, Lin, Fang-Chu, Liao, and Hui-Yi, Lin.

Note 2: Shares are indirectly held through spouse Fang-Chu, Liao and the custodial account (MEINDL INT'L CO., LTD.) used by CTBC Bank.

Note 3: Shares are indirectly held through spouse Wen-Chih, Lin and the custodial account (LASPORTIVA INT'L CO., LTD.) used by CTBC Bank.

9. Number of Shares Held by the Company, Its Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Undertakings in the Same Invested Companies, and the Consolidated Shareholding Ratio

December 31, 2025; Unit: Thousand shares; %

Reinvested Company (Note 1)	Investments of the Company		Investments of Directors, Supervisors, Managers and Directly or Indirectly Controlled Businesses		Total Investments	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Capital Concord Enterprises Limited	2,173,000	100	-	-	2,173,000	100
Medao Trading Co., Ltd.	100	100	-	-	100	100
Fujian Sunshine Footwear Co., Ltd. (Note 2)	-	100	-	-	-	100
Hubei Sunsmile Footwear Co., Ltd. (Note 2)	-	100	-	-	-	100
Sunny Footwear Co., Ltd. (Note 2)	-	100	-	-	-	100
Fujian Laya Outdoor Products Co., Ltd. (Note 2)	-	100	-	-	-	100
Lin Wen Chih Sunbow Enterprises Co., Ltd. (Note 2)	-	100	-	-	-	100
Lin Wen Chih Sunstone Enterprises Co., Ltd. (Note 2)	-	100	-	-	-	100
Lin Wen Chih Sunzeal Enterprises Co., Ltd. (Note 2)	-	100	-	-	-	100
Fulgent Sun Footwear Co., Ltd. (Note 2)	-	100	-	-	-	100
NGOC HUNG Footwear Co., Ltd. (Note 2)	-	100	-	-	-	100
Eversun Footwear Co., Ltd. (Note 2)	-	100	-	-	-	100
Sunglory Footwear Co., Ltd. (Note 2)	-	100	-	-	-	100
PT. SUN BRIGHT LESTARI (Note 2)	-	100	-	-	-	100
Laya Technology Co., Ltd.	5,750	70.12	-	-	5,750	70.12
Lin Wen Chih Sunlit Enterprises Co., Ltd. (Note 2)	-	100	-	-	-	100

Note 1: Investments are accounted for using the equity method.

Note 2: No shares are issued.

IV. Fundraising Status

1. Capital and Shares

(1) Source of share capital

A. Formation of share capital

Unit: Thousand shares; NT\$ Thousand

Date	Issue Price (NT\$)	Approved Share Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Share Capital	Number of Shares	Amount
2009.11	10	150	1,500	150	1,500	150 thousand shares of incorporation	-	-
2009.12	10	58,651	586,509	58,651	586,509	Issuance of 58,501 thousand shares for acquisition of Capital Concord Enterprises Limited	The consideration of the shares is the net value of Capital Concord Enterprises Limited Hong Kong	-
2011.03	69.04	100,000	1,000,000	78,651	786,509	Issuance of 20,000 thousand shares for acquisition of BVI	The consideration of the shares is the net value of BVI.	-
2011.08	62	120,000	1,200,000	86,516	865,159	Issuance of 7,865 thousand shares for capital increase by cash	-	-
2011.08	10	120,000	1,200,000	95,168	951,675	Issuance of 8,652 thousand shares for capital increase by retained earning	-	-
2012.07	10	120,000	1,200,000	104,684	1,046,843	Issuance of 9,516 thousand shares for capital increase by retained earning	-	-
2012.10	10	200,000	2,000,000	104,684	1,046,843	Increase in authorized capital	-	-
2012.10	25	200,000	2,000,000	118,642	1,186,423	Issuance of 13,958 thousand shares for capital increase by cash	-	Note 1
2014.03	0	200,000	2,000,000	119,842	1,198,423	Issuance of 1,200 thousand restricted employee shares	-	Note 2
2014.09	10	200,000	2,000,000	127,088	1,270,880	Cancellation of 24 thousand restricted employee shares; conversion of domestic corporate bonds into 7,270 thousand ordinary shares	-	Note 3
2014.12	10	200,000	2,000,000	129,343	1,293,433	Cancellation of 20 thousand restricted employee shares; conversion of domestic corporate bonds into 2,275 thousand ordinary shares	-	Note 4

Date	Issue Price (NT\$)	Approved Share Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Share Capital	Number of Shares	Amount
2015.03	10	200,000	2,000,000	130,875	1,308,747	Cancellation of 88 thousand restricted employee shares; conversion of domestic corporate bonds into 1,620 thousand ordinary shares	-	Note 5
2015.06	10	200,000	2,000,000	132,542	1,325,420	Conversion of domestic corporate bonds into 1,667 thousand ordinary shares	-	Note 6
2015.09	10	200,000	2,000,000	132,957	1,329,574	Cancellation of 31 thousand restricted employee shares; conversion of domestic corporate bonds into 446 thousand ordinary shares	-	Note 7
2015.12	10	200,000	2,000,000	132,698	1,326,983	Cancellation of 511 thousand treasury stocks; cancellation of 6 restricted employee shares; conversion of domestic corporate bonds into 258 thousand ordinary shares	-	Note 8
2016.03	10	200,000	2,000,000	132,891	1,328,911	Cancellation of 9 thousand restricted employee shares; conversion of domestic corporate bonds into 202 thousand ordinary shares	-	Note 9
2016.06	10	200,000	2,000,000	133,365	1,333,654	Cancellation of 2 thousand restricted employee shares; conversion of domestic corporate bonds into 476 thousand ordinary shares	-	Note 10
2016.08	43	200,000	2,000,000	137,365	1,373,654	Issuance of 4,000 thousand shares for capital increase by cash	-	Note 11
2016.09	10	200,000	2,000,000	137,471	1,374,718	Conversion of domestic corporate bonds into 106 thousand ordinary shares	-	Note 12

Date	Issue Price (NT\$)	Approved Share Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Share Capital	Number of Shares	Amount
2016.12	10	200,000	2,000,000	138,095	1,380,954	Cancellation of 6 thousand restricted employee shares; conversion of domestic corporate bonds into 630 thousand ordinary shares	-	Note 13
2017.03	10	200,000	2,000,000	138,455	1,384,555	Conversion of domestic corporate bonds into 364 thousand ordinary shares; cancellation of 4 restricted thousand employee shares	-	Note 14
2017.06	10	200,000	2,000,000	143,492	1,434,929	Conversion of domestic corporate bonds into 5,038 thousand ordinary shares	-	Note 15
2017.09	10	200,000	2,000,000	146,108	1,461,081	Conversion of domestic corporate bonds into 2,615 thousand ordinary shares	-	Note 16
2017.12	10	200,000	2,000,000	146,197	1,461,973	Conversion of domestic corporate bonds into 89 thousand ordinary shares	-	Note 17
2018.03	10	200,000	2,000,000	146,255	1,462,550	Conversion of domestic corporate bonds into 58 thousand ordinary shares	-	Note 18
2018.06	10	200,000	2,000,000	146,274	1,462,735	Conversion of domestic corporate bonds into 19 thousand ordinary shares	-	Note 19
2019.01	38.5	200,000	2,000,000	152,274	1,522,735	Issuance of 6,000 thousand shares for capital increase by cash	-	Note 20
2019.03	10	200,000	2,000,000	158,992	1,589,915	Conversion of domestic corporate bonds into 6,718 thousand ordinary shares	-	Note 21
2019.06	10	200,000	2,000,000	162,225	1,622,246	Conversion of domestic corporate bonds into 3,233 thousand ordinary shares	-	Note 22

Date	Issue Price (NT\$)	Approved Share Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Share Capital	Number of Shares	Amount
2019.09	10	200,000	2,000,000	171,339	1,713,395	Conversion of domestic corporate bonds into 9,115 thousand ordinary shares	-	Note 23
2019.12	10	200,000	2,000,000	174,757	1,747,566	Conversion of domestic corporate bonds into 3,417 thousand ordinary shares	-	Note 24
2020.03	10	200,000	2,000,000	175,111	1,751,113	Conversion of domestic corporate bonds into 354 thousand ordinary shares	-	Note 25
2020.06	10	300,000	3,000,000	175,162	1,751,620	Conversion of domestic corporate bonds into 51 thousand ordinary shares	-	Note 26
2020.09	10	300,000	3,000,000	176,185	1,761,846	Conversion of domestic corporate bonds into 1,023 thousand ordinary shares	-	Note 27
2020.10	75	300,000	3,000,000	186,185	1,861,846	Issuance of 10,000 thousand shares for capital increase by cash	-	Note 28
2020.12	10	300,000	3,000,000	186,195	1,861,950	Conversion of domestic corporate bonds into 10 thousand ordinary shares	-	Note 29
2022.06	10	300,000	3,000,000	189,363	1,893,631	Conversion of domestic corporate bonds into 3,168 thousand ordinary shares	-	Note 30
2022.09	10	300,000	3,000,000	190,032	1,900,323	Conversion of domestic corporate bonds into 669 thousand ordinary shares	-	Note 31
2022.12	10	300,000	3,000,000	190,724	1,907,235	Conversion of domestic corporate bonds into 691 thousand ordinary shares	-	Note 32
2023.03	10	300,000	3,000,000	190,730	1,907,303	Conversion of domestic corporate bonds into 7 thousand ordinary shares	-	Note 33

Date	Issue Price (NT\$)	Approved Share Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Share Capital	Number of Shares	Amount
2023.06	10	300,000	3,000,000	190,809	1,908,087	Conversion of domestic corporate bonds into 78 thousand ordinary shares	-	Note 34
2023.09	10	300,000	3,000,000	190,990	1,909,899	Conversion of domestic corporate bonds into 181 thousand ordinary shares	-	Note 35
2025.01	76	300,000	3,000,000	200,990	2,009,899	Issuance of 10,000 thousand shares for capital increase by cash	-	Note 36
2025.03	10	300,000	3,000,000	200,992	2,009,917	Conversion of domestic corporate bonds into 2 thousand ordinary shares	-	Note 37

Note 1: Approved by Jin-Guan-Zheng-Fa-Zi No. 1010039431 dated September 13, 2012.

Note 2: Approved by Jin-Guan-Zheng-Fa-Zi No. 1020025982 dated July 4, 2013.

Note 3: Cancellation of restricted employee shares: Approved by Tai-Zheng-Shang-Er-Zi No. 1030021486 dated October 16, 2014.

Conversion of domestic corporate bonds into ordinary shares: Approved by Tai-Zheng-Shang-Er-Zi No. 1030020911 dated October 8, 2014.

Note 4: Cancellation of restricted employee shares: Approved by Tai-Zheng-Shang-Er-Zi No. 1040000619 dated January 14, 2015.

Conversion of domestic corporate bonds into ordinary shares: Approved by Tai-Zheng-Shang-Er-Zi No. 1040000350 dated January 9, 2015.

Note 5: Cancellation of restricted employee shares: Approved by Tai-Zheng-Shang-Er-Zi No. 1040006969 dated April 17, 2015.

Conversion of domestic corporate bonds into ordinary shares: Approved by Tai-Zheng-Shang-Er-Zi No. 1040006071 dated April 8, 2015.

Note 6: Conversion of domestic corporate bonds into ordinary shares: Approved by Tai-Zheng-Shang-Er-Zi No. 10400134821 dated July 9, 2015.

Note 7: Cancellation of restricted employee shares: Approved by Tai-Zheng-Shang-Er-Zi No. 10400209671 dated October 14, 2015.

Conversion of domestic corporate bonds into ordinary shares: Approved by Tai-Zheng-Shang-Er-Zi No. 10400206061 dated October 7, 2015.

Note 8: Cancellation of treasury stocks: Approved by Tai-Zheng-Shang-Er-Zi No. 10400235951 dated November 18, 2015.

Cancellation of restricted employee shares: Approved by Taiwan Stock Exchange Corporation on January 8, 2016.

Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on January 6, 2016.

Note 9: Cancellation of restricted employee shares: Approved by Taiwan Stock Exchange Corporation on April 12, 2016.

Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on April 7, 2016.

Note 10: Cancellation of restricted employee shares: Approved by Taiwan Stock Exchange Corporation on July 7, 2016.

Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on July 1, 2016.

Note 11: Approved by Jin-Guan-Zheng-Fa-Zi No. 1050009991 dated April 12, 2016.

- Note 12: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on October 4, 2016.
- Note 13: Cancellation of restricted employee shares: Approved by Taiwan Stock Exchange Corporation on January 13, 2017.
Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on January 6, 2017.
First conversion of the third domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on December 30, 2016.
- Note 14: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on April 6, 2017.
Cancellation of restricted employee shares: Approved by Taiwan Stock Exchange Corporation on April 14, 2017.
- Note 15: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on July 7, 2017.
- Note 16: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on October 6, 2017.
- Note 17: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on January 5, 2018.
- Note 18: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on April 12, 2018.
- Note 19: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on July 5, 2018.
- Note 20: Approved by Jin-Guan-Zheng-Fa-Zi No. 1070332916 dated September 7, 2018.
- Note 21: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on April 8, 2019.
- Note 22: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on July 2, 2019.
- Note 23: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on October 8, 2019.
- Note 24: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on January 7, 2020.
- Note 25: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on April 8, 2020.
- Note 26: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on July 8, 2020.
- Note 27: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on October 8, 2020.
- Note 28: Approved by Jin-Guan-Zheng-Fa-Zi No. 1090345473 dated June 9, 2020.
- Note 29: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on January 7, 2021.
- Note 30: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on July 12, 2022.
- Note 31: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on October 11, 2022.
- Note 32: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on January 12, 2023.
- Note 33: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on April 10, 2023.
- Note 34: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on July 10, 2023.
- Note 35: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on October 12, 2023.
- Note 36: Approved by Jin-Guan-Zheng-Fa-Zi No. 1130357564 dated September 26, 2024.
- Note 37: Conversion of domestic corporate bonds into ordinary shares: Approved by Taiwan Stock Exchange Corporation on April 9, 2025.

B. Type of shares

As of March 28, 2026; Unit: Thousand shares

Type of Shares	Approved Share Capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Ordinary Shares	200,992	99,008	300,000	-

C. Information about the Bundle Notification System: None.

- (2) List of major shareholders: name of top ten shareholders or those with shareholding ratio of 5% or more, number of shares held, and shareholding ratio

March 28, 2026; Unit: Shares; %

Name of Major Shareholder	Number of Shares Held	Shareholding Ratio
Custodial Account (LASPORTIVA INT'L CO., LTD.) Used by CTBC Bank (Note)	26,022,444	12.95
Custodial Account (MEINDL INT'L CO., LTD.) Used by CTBC Bank (Note)	24,418,802	12.15
Stock investment account of Pacific Capital UCITS-North & South EM Wholly Owned root managed by Citibank Taiwan	5,343,871	2.66
Wen-Chih, Lin	5,017,935	2.50
Taishin Life Insurance's Discretionary Equity Investment Account Managed by Taishin Asset Management (Phase 1)	3,750,000	1.87
New Labor Retirement Fund	3,418,200	1.70
Custodial Account (Yong Yang International) Used by CTBC Bank	3,348,219	1.67
Union Bank of Taiwan	3,157,621	1.57
Custodial account (MOONLIGHT INT'L CO., LTD.) used by Capital Securities Corporation (Note)	3,003,720	1.49
Nomura Premium Fund Account	2,817,118	1.40
Total	80,297,930	39.96

Note: Shares are held indirectly through Wen-Chih, Lin, Fang-Chu, Liao, and Hui-Yi, Lin.

- (3) Dividend Policy and Its Implementation

A. Dividend policy stipulated in the Company's Articles of Association

According to Article 34.1 of the Company's Articles of Association, the Company shall distribute dividends as follows: Subject to the Statute and this Article and except as otherwise provided by the rights attached to any Shares, the Company may declare dividends following the Board's recommendation in a distribution plan approved by the Board, with the sanction of Ordinary Resolution, resolve to pay Dividends and other distributions on Shares in issue and authorize payment of the Dividends or other distributions out of the funds of the Company lawfully available therefor. The company may appropriate up to 3% of the Earnings before taxes as compensation to the Directors and additional, 0.1% to 3% of the remaining profits as employee compensation to the employees of the Company and Subsidiaries. However, the Company's accumulated losses, it shall have been covered.

Considering that the Company is in an industry greatly affected by consumer market and business circle and cannot identify its development circle, after the close of a fiscal year, the Board shall provide the distribution plan according to the following requirements: the Company (i) after its losses have been offset and at the time of allocating surplus profits, may first set aside 10% of such profits as statutory reserve until the statutory reserve amounts to the authorized capital, (ii)

may appropriate a portion of such profits as special reserve required by Applicable Public Company Rules or government authorities, and (iii) having considered the financial, business and operational factors, any remaining profits which may be distributed as Dividends by cash or by applying such sum in paying up in full unissued Shares for allotment and distribution credited as fully paid-up pro rata to the Members or any combination of both, or bonuses according to the Statute and Applicable Public Company Rules; provided, however, that the Dividends payable to the Members hereunder shall not be less than 20% of the balance of the profits after deduction of the amount set out in sub-clauses (i) and (ii), among which, cash dividends shall not be less than 20% of the total Dividends declared. The distribution of Dividends by cash will be rounded down to New Taiwan dollars. The sum of aforesaid rounded-down amounts which are less than one New Taiwan dollars (NT\$1.00) will be recognized as other non-operational income of the Company. In the event that the Company distributes its profits pursuant to this Article in the form of new Shares to be issued by the Company, it shall be approved by the Supermajority Resolution; if such profits are distributed in the form of cash, it shall be approved by the Board.

Pursuant to the provision specified in Article 34.1.1 of the Company's Articles of Association, Subject to the Statute and this Article, the Company may declare dividends at the end of each half fiscal year. The business reports, the financial statements and the proposal for distribution of profits for the half fiscal year shall be submitted to the Board for a resolution after being audited by the Audit Committee. When distributing profits pursuant to this Article, the Company shall pay all relevant taxes, offset losses and set aside the statutory reserve; if such statutory reserve reaches the Company's paid-in capital, this provision shall not apply. In the event that the Company distributes its profits pursuant to this Article in the form of new Shares to be issued by the Company, it shall be approved by the Supermajority Resolution; if such profits are distributed in the form of cash, it shall be approved by the Board. When the Company distributes its profits pursuant to this Article, such profit distribution shall be based on financial statements audited or reviewed by the certified public accountant.

B. Proposed distribution of dividend at the shareholders' meeting:

Unit: NT\$

Period	Date of Approval	Date of Distribution	Cash Dividends/ Share	Total Earnings Distributed
1st Half of 2025	November 6, 2025	April 16, 2026	2.00	401,983,346
2nd Half of 2025	February 24, 2026	(Note)	3.10	623,074,186

Note: The date of distribution shall be determined by the Chairman authorized by the Board of Directors and will be announced separately.

C. Explanation of the expected significant change in the dividend policy: None.

- (4) Effect of stock dividend distribution proposed at the shareholders' meeting on the Company's business performance and earnings per share: Not applicable.
- (5) Remuneration to employees and directors and supervisors: (The Company has no supervisor)
- A. Percentage or scope of remuneration to employees, directors and supervisors specified in the Company's Articles of Association: Please refer to (3) A. Dividend policy stipulated in the Company's Articles of Association.
- B. The basis for estimating the amounts of employees, directors, and supervisors' remuneration, for calculating the number of shares to be distributed as employees' remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
- (A) In case of major changes in the amount of distribution resolved by the Board of Directors at the end of a year, the annual expense estimated shall be adjusted according to such changes. In case of changes in the amount at the date of resolution at the shareholders' meeting, the amount shall be adjusted in the year of resolution according to the changes in accounting estimates.
- (B) If the shareholders' meeting resolves to distribute employees' remuneration in the form of stock, the number of share bonuses is determined based on the amount of bonuses divided by the stock market value; the stock market value is determined based on the closing price a day prior to the shareholders' meeting (after considering the impact of ex-dividend and ex-rights).
- C. Status of remuneration distribution as approved by the Board of Directors:
- (A) Remuneration distributed to employees, directors, and supervisors in the form of cash or stock:
- On February 24, 2026, the Board of Directors resolved to distribute employees' and directors' remuneration for 2025 in the amounts of NT\$20,000,000 and NT\$15,000,000, respectively, which were the same as the estimates in the financial statements for 2025.
- (B) Ratio of employees' remuneration in the form of stock to the sum of net profit in the consolidated financial statements and total employees' remuneration: Not applicable.
- D. Actual distribution of remuneration for employees, directors, and supervisors (including the number, sum, and price of shares distributed), and where there were discrepancies with the recognized remuneration for employees, directors, and supervisors, the sum, cause, and treatment of the discrepancy shall be described:
- On February 25, 2025, the Board of Directors resolved to distribute NT\$20,000,000 to employees and directors for 2024, respectively. The amounts resolved by the Board were consistent with the amounts actually distributed and those recognized in the 2024 financial statements.

(6) Repurchase of the Company's shares:

A. Implementation completed:

April 15, 2026

Item	The third repurchase of treasury shares
Purpose of the buyback	Transferring shares to employees
Actual period of shares bought back	March 30, 2020 to April 22, 2020
Price range for the share buyback	NT\$55~150
Average price for buying back each share	NT\$87.25
Share type and amount bought back	Common Shares 660,000 shares
Actual amount bought back	NT\$57,583 thousand
Ratio of actual amount of shares bought back to pre-determined amount of shares bought back (%)	66%
Number of retired and transferred shares	660,000 (Note)
Accumulated number of shares held	-
Ratio of accumulated number of shares held to total shares issued (%)	0.00%

Note: Shares were transferred to employees at the price NT\$76.02, adjusted by the ratio of increase in common shares, based on approval of the Board of Directors on February 25, 2025. All shares had been transferred on March 28, 2025.

B. Implementing: None.

2. Issuance of Corporate Bonds:

(1) Outstanding or pending corporate bonds

Type of Corporate Bond	6th Unsecured Convertible Corporate Bonds within the Republic of China	
Date of Issuance (Placement)	November 15, 2024	
Par Value	NT\$100,000	
Place of Issuance and Transaction	Taipei Exchange (TPEX)	
Issuing Price	NT\$108,600	
Sum	NT\$1,000,000,000	
Interest	Coupon rate: 0%	
Term	3 years, mature on November 15, 2027	
Guarantor	Not applicable	
Trustee	E.SUN COMMERCIAL BANK, LTD. Trust Division	
Underwriter	IBF Securities Co., Ltd.	
Certified Attorney	Attorney Yo-Liang Chen, Jheding International Law Offices	
Certified Public Accountant	PwC Taiwan CPAs Hua-Ling, Liang and Yu-Chuan, Wang	
Repayment Method	<p>Holder of the convertible bonds, except for those converting the convertible bonds into common shares of the Company pursuant to Article 14 of the Regulations or exercising put option pursuant to Article 23 of the Regulations, and the early call made by the Company pursuant to Article 22 of the Regulations, or the bonds bought back by the company from Taiwan Stock Exchange or Taipei Exchange for cancellation, the Company shall make a lump sum repayment in cash for the convertible bonds held by bondholders by the face value of bonds in 6 business days from the day after the expiration of the convertible bonds.</p>	
Unredeemed Capital	NT\$999,800 thousand (as of April 15, 2026)	
Provisions for Redemption or Advance Payoff	<p>According to Article 22 of the Regulations Governing Issuance and Conversion of Corporate Bonds, from the day following 3 months after issuance to the 40th day prior to maturity, if (1) the closing price of the Company's ordinary shares exceeds the conversion price of the Company's convertible corporate bonds by 30%, the Company may redeem the bonds within 30 business days after the above period, or (2) if the balance of convertible corporate bonds outstanding is less than 10% of the original total face value, the Company may redeem the bonds by cash at any time after the above period.</p>	
Limiting Provisions	None	
Name of Credit Rating Agency, Rating Date and Corporate Bond Ratings	Not applicable	
Other Rights	Amount of Common Shares Already Converted (Swapped or Warranted) and Overseas Depository Receipts or Other Securities as of the Printing Date of the Annual Report	As of April 15, 2026, 1,801 common shares have been converted, with an amount of NT\$18,010.
	Issuance and Conversion (Swap or Subscription) Methods	Please refer to the Company's Regulations Governing the Issuance and Conversion of the 6th Unsecured Convertible Corporate Bonds within the Republic of China.
Effects That the Measures for Issuance and Conversion, Trade, or Warrants May Have on the Potential Dilution of Equity and Current Shareholders' Equity.	<p>Currently, 200,992 thousand shares have been issued at the conversion price of NT\$104.10 per share. A total of 9,998 bonds were unconverted as of April 15, 2026. If the balance of the convertible corporate bonds outstanding is converted into ordinary shares in full, 9,604 thousand shares will increase with a dilution ratio of 4.56%, showing a limited effect on current shareholders' equity.</p>	
Name of the Commissioned Custodian of Exchangeable Underlying	None	

(2) Information on convertible bonds

Unit: NT\$

Type of Corporate Bond		6th Unsecured Convertible Corporate Bonds within the Republic of China	
Item	Year	2025	As of April 15, 2026
	Market Price	Highest	142.70
Lowest		103.95	103.05
Average		121.37	109.19
Conservation Price		2025.01.01~01.06: 112.90 2025.01.07~03.23: 111.00(Note 1) 2025.03.24~09.20: 109.60(Note 2) 2025.09.21~12.31: 106.40(Note 2)	2026.01.01~03.21: 106.40 2026.03.22~04.15: 104.10(Note 2)
Conversion Price at the Date of Issuance (Placement) and During Issuance		Issued on November 15, 2024, with the conversion price of NT\$112.90 at the time of issuance.	
Method For Exercising Conversion Obligations		Issuance of new shares	

Note1: The conversion price was adjusted due to capital increase by cash.

Note2: The conversion price was adjusted due to ex-dividends.

3. **Preferred Stocks: None.**
4. **Overseas Depository Receipts: None.**
5. **Employee Stock Warrants: None.**
6. **New Restricted Employee Shares: None.**
7. **Issuance of New Shares in Connection with the Merger or Acquisition of Other Companies: None.**
8. **Implementation of Fund Application Plans: The Company has no uncompleted public issue or private placement of securities or corporate bonds, or such issues and placements that were completed in the most recent three fiscal years but have not yet fully yielded the planned benefits.**

V. Operational Highlights

1. Business Activities

(1) Scope of business

A. Main content of the business

The Company primarily specializes in the OEM production and sales of footwear.

B. Proportion of business of main product (service) items

Unit: NT\$ Thousand ; %

Main Product	2024		2025	
	Amount	%	Amount	%
Shoes	14,490,330	99.17	17,240,270	99.69
Others (Note)	121,141	0.83	54,363	0.31
Total	14,611,471	100.00	17,294,633	100.00

Note: Others include the sale of work in process and shoe materials.

C. Current product (service) items

The Company produces products suitable for jogging, hiking, mountain climbing, and sports activities.

D. New products (services) to be developed

The Company's product development team serves more than 50 world-renowned brands. Our shoe materials are developed in line with customers' design concepts and are designed to meet functional requirements such as waterproof, breathable, slip-resistant, abrasion-resistant, conductive, and heat-retention properties. Apart from choosing suitable shoe materials, our development department develops new outsoles and finds the best structure to offer high value-added shoes that meet various consumers' needs. Our functional shoes, such as GORE-TEX shoes, anti-slip boots, conductive work shoes, heat storage shoes, and steel-toe and steel-plate safety shoes, have delivered outstanding results, and the products developed with our customers have been awarded the best outdoor shoes in Europe.

Looking ahead, the Company will continue to stay abreast of trends in the footwear industry, upholding a philosophy of continuous learning and innovation, and develop a variety of recycled, reusable shoe materials as well as maintain good relationships with suppliers, so as to offer new products every year in the future. The Company's product development team has set up the technology research and development task force, the automated and semi-automated machinery development task force, and the sole research and development task force to continuously develop new footwear technologies, machinery, and innovative formulas in order to meet customer demand and constantly enhance the Company's competitiveness in the footwear industry.

(2) Industry Overview

The footwear industry is labor intensive. The global shoe manufacturing center has gone through many transformations with the cost of manufacture. The shoe manufacturing center has shifted from Italy and Spain to Japan, Taiwan, and South Korea in 1980s. In 1990s, the global OEM center for sports shoes has shifted to China, Indonesia, and Vietnam. Starting from 1996, China has become the world's

largest producer and exporter of footwear products. Taiwanese manufacturers have transformed themselves into a design and development center of shoe types and materials and a raw material/material procurement center that produces high value-added shoe types and supports overseas production. As of today, Asian countries, including China, Vietnam, India, Indonesia, and Thailand, provide more than 90% of global footwear products, making them the main production center of the footwear industry.

By contrast, taking advantage of international trends and branding capacity, European and American shoe manufacturers focus on product design and development and outsource production to manufacturers in developing countries through OEM arrangements and sell the shoes through their marketing networks. European and American shoe manufacturers prioritize brand management and focus on value addition and marketing, so as to control market and economic benefits.

A. Industry Condition and Development

(A) Overview of Global Footwear Market

Footwear are one of the necessities in our daily life. The consumption quantities and amounts of shoes will rise along with the growth of population, and it will fluctuate along with global fashion trends and the macroeconomic environment. According to the statistical estimation of Mordor Intelligence, the global footwear market is estimated to be worth approximately US\$370.36 billion in 2025, and is projected to grow from US\$382.58 billion in 2026 to US\$449.95 billion in 2031, representing a compound annual growth rate (CAGR) of 3.30%.

Meanwhile, based on Mordor Intelligence's "Footwear Market Size Analysis" (2026-2031) and Statista's latest industry forecast, the main footwear consumer market trends are as follows: After the inventory destocking in North America, consumer demand and willingness to purchase sustainable and technologically integrated products (such as carbon-neutral footwear and smart wearable technology) are showing an increasing trend. In Europe, imports of high-value, environmentally friendly footwear increased due to the "Ecodesign for Sustainable Products Regulation" (ESPR). In the Asia-Pacific region, increased demand from India's expanding middle class offset a slowdown in mainland China's domestic market. In Central and South America, income growth and rapid urbanization led to a significant increase in demand for mid-to-low-end footwear. Notably, the global health trend and the booming marathon movement also resulted in substantial growth in running and outdoor footwear.

(B) Development of the footwear market in China

China is the largest footwear manufacturer in the world now. The consumer goods market in China has expanded rapidly in the last few years along with the increase in population and per capita income. The changing demographic structures and the increase in per capita disposable income mean that Chinese consumers' buying power is growing and it helps promote the development of the retail industry, causing the shift of economy from an export-oriented operation to a consumption-oriented operation; also, it will help increase the quantity of shoe consumption and the demand for high-end shoes. According to the market survey results of Euromonitor, the Chinese market for footwears is expected to grow at an average annual growth rate of 4.4% in the period of 2023~2028. The Chinese market for footwear is expected to reach RMB 611.9 billion by the year of 2028.

From the perspective of footwear production in China, footwear industry is mainly concentrated in four regions in China currently; (1) Guangzhou, Dongguan, and other places are the bases of Guangdong footwear industry, and they mainly produce mid-to-high-end sports shoes and outdoor shoes; (2) Wenzhou, Taizhou, and other places are the bases of Zhejiang footwear industry, and they mainly produce mid-to-low-priced shoes; (3) Chongqing and Chengdu are the bases of Western shoe industry, and they mainly produce women's shoes; (4) Fujian, Quanzhou, and Jinjiang are the bases for the production of another type of sports shoes. Consumers' demand for sports, outdoor leisure and popular, affordable, innovative, and fashionable footwear products has increased in recent years. Many companies have begun to value the importance of improving their technological innovation capabilities and utilizing flexible manufacturing technology and 3D design to achieve personalized flexible designs and to meet customer needs. It will prompt the development of Chinese footwear consumer market towards fashionable styles, high quality, and favorable prices. Footwear industry is extremely cost-sensitive; therefore, it has always valued the importance of relocating the production to somewhere cost less rather than focusing on major consumer markets. The major operating difficulties faced by Chinese footwear factories currently include rising wages, rent expense, and other production factors under the Labor Contract Act, and the improvement of people's living standards that causes great disadvantages to the labor-intensive footwear industry and thus force the companies in this industry to gradually relocate their production lines to countries with labor cost advantages, supportive local government, and preferential tariffs offered, such as Vietnam, Indonesia, Cambodia, India, and other countries.

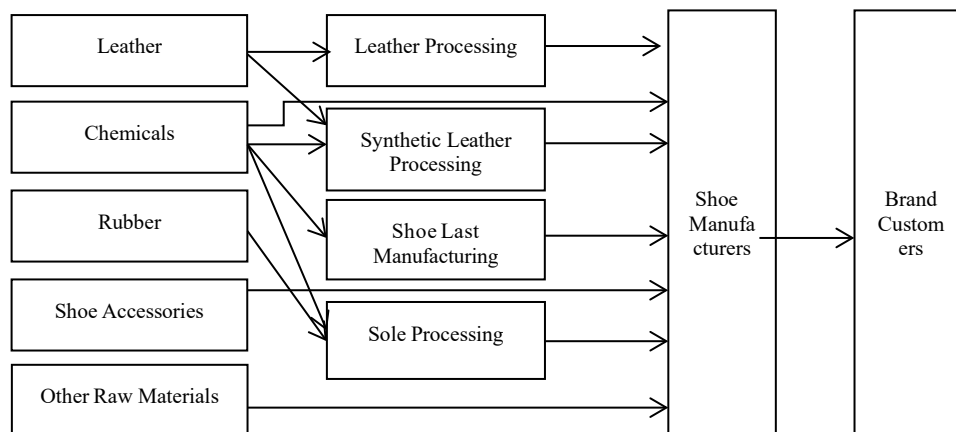
(A) Development of footwear market in Vietnam

Vietnam is currently the second-largest footwear manufacturer worldwide. International brands have intensified their efforts to diversify procurement and reduce their dependence on trade with China due to the US-China trade war, labor cost advantages, and other factors. Therefore, Vietnam has benefited substantially from the trend of supply chain transfer. Vietnam's footwear exports have been increasing steadily. Data shows that the export value was approximately US\$22.87 billion in 2024 and reached US\$24.20 billion in 2025, an increase of about 5.8%. In 2025, the United States remained Vietnam's largest footwear export market, with a value of US\$11.01 billion, followed by the European Union with US\$6.88 billion. Vietnam's exports to the United States and Europe have shown annual growth, which is a strong performance compared to other Asian nations.

As the Asian supply chain is shifting to Southeast Asia continuously, Vietnam's shoe factories will face major operational difficulties in the future. Vietnam's minimum wage is increasing year after year due to the influx of foreign investment into Vietnam; also, industrial land and factory rents are rising as well, and other manufacturing industries will also shift to Vietnam, which will increase the recruitment of large number of workers and may also cause the problem of insufficient manpower in the future. Under the circumstances, international shoe manufacturers are unwilling to invest, and they have gradually shifted their production base deployment to other Asian nations, such as Indonesia and Cambodia.

B. Correlation between upstream, midstream and downstream industries

As an OEM supplier of professional shoes, the Company's upstream industries supply raw materials, such as rubber, leather, chemicals, such as adipic acid, and accessories, such as shoelaces. Midstream industries, such as OEMs and ODMs, make products and deliver them to downstream industries, such as brand customers, for sale. The correlation between upstream, midstream and downstream industries is as follows:



Correlation between Upstream, Midstream and Downstream

Source: Industrial Development Bureau, Ministry of Economic Affairs

C. Various product trends

(A) Green industry and production of environmentally friendly technology

For global shoe manufacturers, the most important issue is how to use materials and make shoes in line with the concept of environmental protection. Many countries have started to legislate against new environmental issues. Recycling and reuse of industrial waste and restriction against production and use of chemicals are also included in legislation. To comply with regulations pertaining to environmental protection, shoe manufacturers must take countermeasures to develop new technologies and technologies, such as using new or more expensive materials for chemicals. The Company will reconfigure the manufacturing process to meet the limit of solvents, especially sole bonding and synthetic coating. Surface treatment technology will improve the performance of adhesives, further solving surface bonding issues.

(B) Application of high-performance shoe materials

In addition to environmentally-friendly shoe materials that comply with regulations pertaining to environmental protection, the footwear market also requires high-performance materials to meet consumers' requirements for quality, comfort, and health care. Genetic engineering will make animals more consistent and predictable. With the development of bioengineering, authentic artificial leather may be developed. It is expected that synthetic materials will increasingly replace natural leather. At present, the focus of leather development is to make greater use of leather materials and to facilitate closer cooperation between tanneries and shoe manufacturers.

(C) Development of product aiming at intelligent shoe type

As living standards continue to increase, the demand for quality and functionality of shoes continues to increase. As high-tech products of the new generation, smart shoes provide basic protection, safety, and comfort. The world's sports population has increased year by year. People exercise more in

the early morning and at night, leading to the increasing demand for safety shoes. The global footwear industry is actively seeking breakthroughs in improving nighttime identification of shoes to increase safety. It is necessary to establish a technology that develops efficient, safe and smart shoes.

According to the research of KingNet, a national online hospital, in an environment below 5°C, it can easily cause skin frostbite if there is no thermal measure. For cold region activists and diabetics who are not sensitive to temperature, the development of temperature-controlled smart shoes is very important. In addition, the introduction of a comfortable structure and functional materials improves the comfort, safety, and competitiveness of smart shoes, making sporting goods and consumers' life closely connected.

(D) Process aiming at fully automated progress

With the increasing efficiency and scale of the footwear industry, shoe manufacturers have introduced advanced technologies and scaled production lines. Due to the increasingly intense competition worldwide, manufacturers are urged to integrate all aspects of production operations and various resources, so as to increase their competitiveness. As the labor-intensive footwear industry encounters increasing labor cost and decreasing human resources, automation in the manufacturing process has become of great importance. Robotic arms and automation control systems are applied to highly repetitive, action-critical processes to stabilize the quality of shoes, improve productivity and production management, and reduce cost of manufacture.

D. Competitive situations

The brand shoes produced by the Company are world-renowned brands with high technology and added value. The Company remains competitive by working with world-renowned brands to develop and produce shoes. The Company maintains its competitiveness thanks to the following:

- (A) The Company has extended production lines of renowned sports shoes and functional outdoor shoes.
- (B) Different from the “mass production fewer types” and “popularity” of sports shoes, the “less production more types” and “functionality” of outdoor shoes remain the Company's niches in the stable growth of production and sales for many years. The Company distinguishes itself by mobility, flexibility, innovation, and speed.
- (C) With the vertically integrated business model, the Company responds to customers' requirements quickly and immediately develops a diversity of products with a small quantity.

The Company believes that, although the footwear market competition continues to be intense competition, but the production advantages of the Company's business strategy and will enable the group to stand out in competition with industry.

(3) Overview of Technologies and Research and development (R&D)

- A. R&D expenses in the most recent fiscal year and as of the printing date of this annual report.

April 15, 2026; Unit: NT\$ Thousand

Year	2024	2025
R&D Expenses	303,285	322,364
Consolidated Sales	14,611,471	17,294,633
Ratio of R&D Expenses to Consolidated Sales (%)	2.08	1.86

B. Successfully developed technologies or products

The important results of the Company's research and development of this year are as follows:

Process	Technology	Description
Process Craft	Dual-station seamless hot melt machine	This machine combines hot pressing and high-frequency heating for composite welding, resulting in high heating efficiency.
	Intelligent foot leveling machine	This machine features a flat bottom design, which can accommodate the correction and leveling of soles with different last shapes, saving on aluminum molds.
	Online high-speed intelligent line marking machine	This machine uses a vision camera to capture materials and automatically matches them with templates, and the assembly line-style conveyor system improves efficiency for drawing lines.
	Pneumatic moldless bottom pressing machine	This machine is energy efficient and environmentally friendly. Its pneumatic drive reduces energy consumption and maintenance costs, making it superior to traditional hydraulic presses.
	PSC bottom pressing machine	This machine is used for pressing waterproof sock covers; it has low power consumption, high efficiency, and provides better coverage.
	Vertical edge pressing machine	This machine integrates front, rear, and side pressing for side pressing; or, when paired with a custom-made pressing mold, it can be used to press the instep, compensating for points that wall-mounted pressing machines cannot reach.
	Computerized sewing machine + punching machine	After computerized sewing, punching is performed directly, saving steps and improving efficiency and quality.
	Ultrasonic hammering	Used for leveling the shoe upper to enhance the smoothness and aesthetic appeal of the finished shoe.
Product Craft	Pearl buckles on the shoe upper	This refers to the use of a fully automatic pearl buttoning machine to improve efficiency.
	Rubber sheet chamfered R angle	This refers to changing the device from an angled position to a chamfered R angle to enhance its aesthetics.
	3D raised printing on shoe upper	This refers to the fact that the lines are more three-dimensional and aesthetically pleasing after printing.
	LED light-up shoes	This refers to children's shoes with built-in batteries in the soles and LED lights added to the uppers, which illuminate during exercise.
	Vacuum forming printing	This refers to the vacuum forming printing of irregular patterns and color-changing effects on the upper of shell shoes.
Sole Craft	Climbing shoe soles	These professional indoor and outdoor climbing shoes offer excellent grip, both in dry and wet conditions.
	TPEE supercritical foaming	This refers to the lightweight, high-elasticity supercritical foaming process.
Material	Bulletproof yarn	To increase the strength and abrasion resistance of the shoe upper.
	Sequins	To enhance visual appeal.

(4) Long-term and Short-term Business Development Plans

A. Short-term business development plans

- (A) To seize the Opportunity of Global Recovery and Optimize Multinational Production Capacity Strategy.

Looking ahead to the 2026 economic and trade situation, global uncertainties such as trade barriers and geopolitics remain, but decision-making logic has returned to rationality to some extent. According to the latest forecast from the International Monetary Fund (IMF) in early 2026, the global economic growth rate for 2026 will be revised upward to 3.3%, an indication that the global economy is entering a new phase of transformation and gradual recovery after a cycle of inflation and interest rate hikes. Looking back at 2025, the Group was affected by exchange rate fluctuations and the US import tariff issues, but still demonstrated strong resilience, delivering solid results with consolidated revenue of NT\$17.30 billion (an annual increase of 18.36%) and substantial growth in core business profits. With the recent clarification of tariff policies and the recovery of order momentum from brand customers, the Group will leverage its long-term strategy of "multi-brand, multi-product, and multi-production regions" to accelerate the optimization of its global production capacity allocation. In particular, PT. SUN BRIGHT LESTARI and Sunglory Footwear Co., Ltd., which commenced mass production in the second half of 2025, are expected to continue to expand their production and sales scale in 2026. By flexibly scheduling diversified production bases in Vietnam, Cambodia, China, and Indonesia, we will provide brand customers with a more resilient and flexible supply chain commitment, working together to create the next wave of growth momentum for both parties.

- (B) Deepening intelligent manufacturing and implement the practical application of AI.

Faced with the onslaught of the digitalization wave in global manufacturing, the Group expects to deepen the manufacturing layout from traditional automation to intelligent and human-machine collaboration. In 2026, we plan to continue to promote the replacement and integration of outdated hardware and software equipment, and conduct AI (Artificial Intelligence) education and training and practical implementation. In this regard, we will formally introduce AI Agent technology into practical work, applying it to production scheduling optimization, big data analysis and cybersecurity mechanisms. In addition, we will make good use of diverse external resources to enhance innovation capabilities and build a smart factory with adaptability, resource efficiency and human-factor engineering. Simultaneously, through data-driven decision-making, the Group will precisely improve the production efficiency and yield of each factory, consolidating its competitive advantage in the diversified footwear industry. In short, the Group will continue to improve its production processes and adopt lean policies to provide customers with better services and further enhance mutually beneficial added value.

B. Long-term business development plans

- (A) To refine core R&D technologies and focus on high-value-added products.

Since its inception in 1995, the Group has deep-rooted expertise in the footwear industry for over thirty years, consistently regarding "Technological Leadership" as its core competitiveness. Over the years, it has accumulated

profound development experience, enabling its manufacturing processes to obtain multiple international professional certifications from laboratory accreditation, including "ISO9001, GB/T19001, GORE-TEX, and SATRA". Meanwhile, our strong R&D team has established various project teams internally, focusing on new technologies, automated machine development, sole chemical research and development, and big data AI integration and analysis, demonstrating our R&D capabilities in developing new processes, equipment, and formulas. Our proactive and pragmatic forward-looking planning and process innovation not only precisely meet the stringent functionality and quality standards of international brands, but also effectively optimize our cost structure to address the challenges of rising labor costs. Looking ahead, the Group will leverage superior management efficiency to ensure profitability and, building on its existing foundation, deepen its technological capabilities to achieve even greater business success.

- (B) To deepen and consolidate the multi-brand strategy to create a win-win blueprint.

Given that the Group's products cover a wide range of categories including sports, outdoor, mountaineering, leisure, and functional footwear, and it manufactures for more than 50 brands, many of which are internationally renowned brands with sales spanning Europe, America, and Asia, the management team will continue to uphold the core values of "Integrity, Speed, Quality, and Innovation," adhere to the spirit of "Ethics, Wisdom, Diligence, and Perseverance," and take "Courageous and Resolute Action, Rejuvenating Glory" as its business theme. Regarding our strategy of deepening cooperation with leading international brands, we will leverage our outstanding R&D and mass production capabilities to enhance collaboration synergy. In particular, our newly developed internationally-renowned brands have already shown initial success. In the future, through flexible order-taking strategies and expansion into emerging markets, we are committed to becoming the most trusted ally for our global brand clients.

- (C) To align with international sustainability standards, strengthen investor relations, and enhance long-term corporate value.

Good governance is a crucial cornerstone for the sustainable operation of a listed company. In response to the Financial Supervisory Commission's "Roadmap for Sustainable Development of Listed Companies" and to align with international trends, the Group will deepen its governance in the following areas:

- a. Strengthening investor relations: We value the rights and interests of investors and stakeholders. In addition to holding or participating in corporate briefings from time to time to ensure that the market can fully understand the Company's operational strategies and intrinsic value, we also demonstrate the soundness and stability of our financial structure by maintaining a stable dividend policy.
- b. Alignment with IFRS Sustainability Disclosure Standards: Following the Financial Supervisory Commission's blueprint, the Company has proactively prepared for the adoption of IFRS S1 (Sustainability-Related Financial Disclosures) and IFRS S2 (Climate-Related Disclosures) to strengthen the link between sustainability information and financial statements, ensuring transparency and comparability of information

disclosure. Furthermore, a "Sustainability Information Collection Mechanism" consistent with the boundaries of financial statements has been established to enhance the financial impact assessment of climate-related risks and opportunities. Regarding greenhouse gas management, we have been continuously refining our inventories for "Scope 1 and Scope 2" and are now planning a "Scope 3" supply chain carbon emissions audit path to enhance the Group's capabilities in climate resilience and transformation.

- c. Establishing sustainable information internal controls (ICSR): We are implementing the Internal Control over Sustainability Reporting (ICSR) system for non-financial disclosures. By incorporating ESG data management into standardized internal control cycles, we ensure the quality and reliability of sustainability information to meet the expectations of our stakeholders.

In summary, considering the aforementioned short-term and long-term operational strategies, the Group is committed to simultaneously deepening its corporate social responsibility while pursuing both revenue and profit growth, particularly by actively promoting energy conservation, carbon reduction, and the circular economy. We are dedicated to pragmatically increasing shareholder value and enhancing long-term investment value, and aspire to deliver substantial operating results to all shareholders and employees, thereby realizing our vision of sustainable prosperity.

2. Market, Production, and Sales

(1) Market analysis

A. Sales (providing) regions of the main products (services)

Unit: NT\$ Thousand; %

Year		2024		2025	
		Amount	Percentage	Amount	Percentage
Domestic Sales (Note)		588,142	4.03	1,045,580	6.05
Export	Asia	1,619,193	11.08	1,895,650	10.96
	America	5,710,370	39.08	6,697,446	38.72
	Europe	6,470,464	44.28	7,461,274	43.14
	Africa	47,289	0.32	56,990	0.33
	Australia	176,013	1.21	137,693	0.80
	Sub-Total	14,023,329	95.97	16,249,053	93.95
Total		14,611,471	100.00	17,294,633	100.00

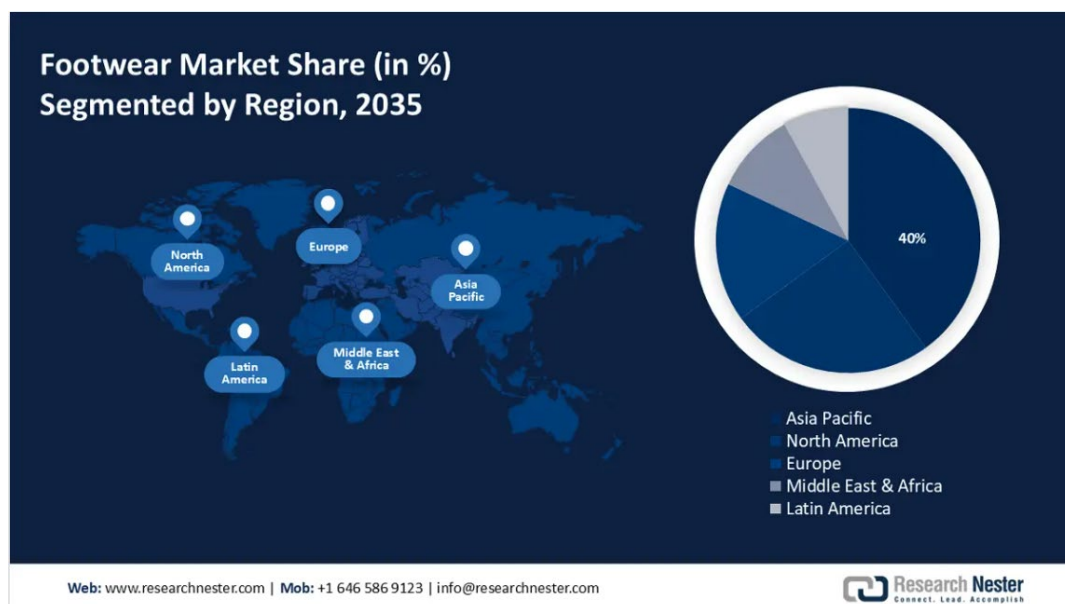
Note: Domestic sales refer to the sales in Mainland China.

B. Market share

The main customers of the company include Engelbert Strauss, FILA, Head Sport GmbH, La Sportiva, Mammut, Meindl, ON Running, Salewa, The North Face, Timberland, Vans, etc. that are all leading brands in sports and leisure outdoor footwear. The Company produces a variety of shoes and is one of the few manufacturers in the industry that has the production technology to handle many shoe designs at the same time; therefore, the Company has a certain market share cornered among global shoe manufacturers.

C. Supply and demand and growth of the future market

The global footwear market is estimated to be worth approximately US\$370.36 billion in 2025, and is projected to grow from US\$382.58 billion in 2026 to US\$449.95 billion in 2031, representing a compound annual growth rate (CAGR) of 3.30%. Research Nester predicts that the Asia-Pacific footwear industry will account for 40% of global revenue by 2035, making it the world's largest source of revenue. This is primarily driven by government and international organization support for the development of sports activities, as well as growing consumer demand for fashionable, trendy, and comfortable footwear. North America, on the other hand, is expected to experience significant growth due to consumers' increased focus on physical and mental well-being, including the popularity of fitness, marathons, and various ball sports.



Source: Research Nester Analytics < Footwear Market Size, Share & Trends Analysis 2026–2035 >

D. Competitive Niche

(A) A wealth of production lines, market diversification, and low idle rate

The Company produces products including sportswear, outdoor shoes, hiking shoes, casual shoes and functional shoes from world-renowned brands, and we serve as OEM for more than 50 brands in Taiwan and abroad. Our products are sold across Europe, America, and Asia. Orders are evenly distributed throughout the year.

(B) Economies of scale and control of production process

Our customers are international brands of sports shoes and outdoor shoes. Compared with regional brands, they have higher requirements for the quantity, delivery, and quality of products. Having been in the industry for more than a decade, the Company has production bases in China, Vietnam, Cambodia, and Indonesia. In 2025, the Company produced 22,989 thousand pairs. Our manufacturing process has been approved by ISO 9001, GB/T 19001, SATRA, GORE-TEX and SURROUND technology. Based on the policy of consolidation and optimization, the Company reduces inventories to improve productivity control in line with the international standards.

(C) Customers of the Group OEM being the first brands at home and abroad

Our customers are the leading brands of sports shoes and outdoor shoes in terms of market share and technology, making our sports shoes and outdoor shoes competitive and grow significantly. This further reinforces the Company' strength among OEMs in the footwear industry.

(D) The Group's cost-competitive advantage

As the footwear industry is labor intensive, labor cost is one of the important aspects in the cost structure. The respective output ratios of the production bases in 2025 were 65.86% in Vietnam, 21.45% in Cambodia, 12.51% in China, and 0.18% in Indonesia. These countries have a wealth of human resources and low labor cost compared with many other countries. Moreover, the Group has established multiple task forces for new technology R&D, automation and semi-automation machine development, R&D of sole chemical material, big data AI integrated analysis...etc., to continue improving the various core technology competencies, constantly upgrade automation production weight, and the early development of new shoe models. The Company upgrades the productivity performance of all factories and reduces production costs to bring the synergy of operation management into full play.

E. Favorable and unfavorable factors of the development prospect and the corresponding measure

(A) Favorable factors of the development prospect

a. The rise of emerging markets in Asia

The global economy has been affected by the changes in the international environment and US tariff policies in recent years, especially in the emerging markets of export-oriented countries. However, compared with other regions of the world, the economic aspects of the emerging market in Asian countries remain sound. According to the statistics of the National Bureau of Statistics of China, China's GDP growth rate was approximately 5.0% in 2025. China's recent policy shift also shows that the government has begun to value the importance of economic growth targets. India, Indonesia, Malaysia, and Thailand have a favorable demographic structure; therefore, in view of the slowdown in global economic growth, the economies of Asian emerging markets continue to grow steadily.

b. Increasing awareness and population of sports activities worldwide

As living standards improve, consumers are increasingly valuing sports, outdoor travel, and other activities beneficial to their physical and mental health. This increased awareness of exercise is driving the continued expansion of the industry market, with the general public showing a growing demand for fitness and recreational activities, spectator sports, and sporting goods. In particular, running shoes have garnered significant attention due to their alignment with health trends and the continued increase in marathon participation; simultaneously, the rapid development of adventure tourism has led to substantial growth in demand for outdoor hiking shoes, with North America and the Asia-Pacific region accounting for the majority of the market share. A report by the Sports & Fitness Industry Association (SFIA) indicates that approximately 247.1 million Americans participated in sports and fitness activities as of 2024. In the U.S., the sports industry accounts for 3% to 7% of its GDP. The output value of the sports industry in other countries, such as the U.K., France, Germany, and Japan, also accounts for 1% to 3% of GDP. The

output value of the sports industry in Switzerland even accounts for 3.37% of its GDP. Consequently, the sports industry has become a primary engine of economic growth for major Western countries.

A Nester research report states that the global sports industry is rapidly expanding worldwide due to technological advancements, changing consumer behavior, and demographic shifts. The industry is projected to grow steadily at a CAGR of 8.2% from 2026 to 2035, with the sports goods market exceeding US\$612.72 billion in 2025 and expected to reach US \$1.35 trillion by the end of 2035. The report further notes that due to the large and affluent population in the United States, sports spending continues to grow, and North America is projected to account for 35% of the sports goods market by 2035.

c. Rising global awareness of sustainable development

The global awareness of sustainability is not only prevalent in Europe and America but is also gradually expanding to the Asia-Pacific region. Consequently, consumers are more accepting of higher-priced carbon-neutral products, and the use of sustainable materials significantly influences their purchasing decisions. Meanwhile, the EU's Ecodesign for Sustainable Products Regulation (ESPR) officially came into effect on July 18, 2024, making "environmental sustainability" a market baseline, no longer solely determined by consumer desires. Countries worldwide are striving to achieve the "Net-Zero Emissions by 2050" target, which involves increasing the recycling rate of materials and actively promoting a circular economy, sustainable development, and a competitive economic transformation.

(B) Unfavorable factors of the development prospect

a. Continuous increase in labor cost

In the labor-intensive footwear industry, the Company requires a lot of human resources during production. The continuous rise in labor costs in recent years has led to increased production costs for enterprises, especially in coastal cities of China. In addition, the continuous adjustment of the minimum wage in Vietnam has put pressure on the labor costs of our local subsidiaries. After the implementation of the "Labor Contract Law" in China, in addition to wages, enterprises are also increasingly burdened by related labor costs, such as welfare and pensions, which has compressed the revenue growth and profit margins of enterprises to a certain extent.

Response Measures:

- (a) The Company has gradually shifted its production focus to regions with lower labor costs, expanding the production lines and capacity of its Vietnam and Cambodia plants. The newly established plants in Vietnam and Indonesia began trial production in the second half of 2025. At the same time, the Company continues to implement lean production to improve production efficiency and reduce production costs.
- (b) Fujian Sunshine Footwear Co., Ltd. and Sunny Footwear Co., Ltd. with higher labor cost have undertaken to produce mid-end and high-end, value-added shoes with higher prices and increase the unit prices, so as to maintain a certain percentage of gross margin and profit in spite of the increase in labor cost and cost of manufacture.

- (c) Gradually modify the processing by introducing semi-automation and automation machinery production such as merrylock, long-boot compressor, full automation AI compressor, environmental water-circulating engraving machine, automatic line printer, laser polisher, AI automatic processing line, heel webbing look 3D computer machine, to reduce use of labor force during the production process and lower the labor and manufacturing costs.
 - (d) The Company implements the policy of lean production to reduce unnecessary waste of raw materials during production and integrate production points on the production line, so as to align productivity and reduce unnecessary work-in-process inventories. The Company also arranges or adjusts workers at production points appropriately to reduce waste of human resources. The aforementioned measures can improve the Company's productivity and reduce cost of manufacture.
- b. Intensive competition and fast elimination in the footwear industry

With the expansion of sporting goods, competition has become increasingly intense. In addition to world-renowned brands, Chinese sporting goods manufacturers have emerged in recent years, offering a variety of new products in line with consumers' volatile preferences. A manufacturer only can produce hundreds of or thousands of shoe types. If manufacturers fail to respond immediately to market changes or develop leading products, they are highly likely to be eliminated.

Response Measures:

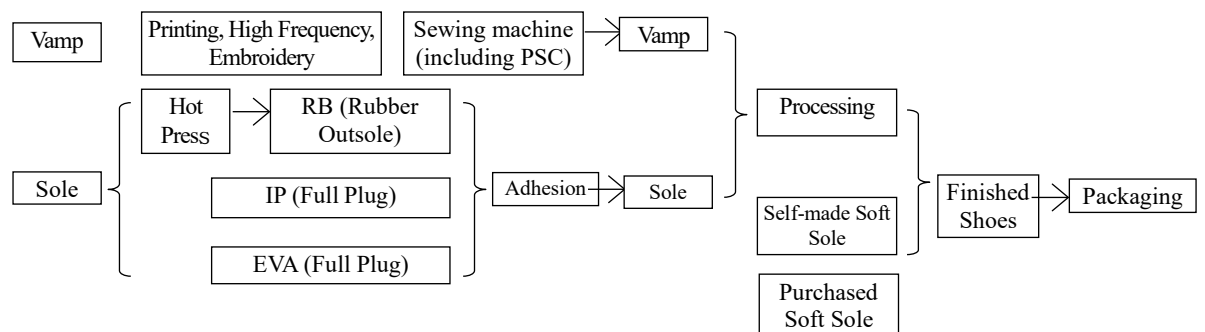
- (a) The Company increases the number and type of high-end, high value-added brand shoes and develops world-renowned brands at home and abroad to maintain its market share and reduce risk of significant influence with a single brand on the Company's operation.
- (b) With improved manufacturing process and production technology and innovation, the Company adjusts the manufacturing process quickly according to customers' requirements. The Company also adopts the policy of lean production to improve productivity and reduce waste, offering the output sufficient for new customers and existing orders.

(2) Major uses and production process of main products

A. Major uses of main products

Main Product	Main Functions and Uses
Footwear	Mountain climbing, snow walking, medical correction, jogging, hiking, and other casual activities

B. Production processes of main products



(3) Supply of main raw materials

Main Raw Material	Main Source of Supply	Ratio of Main Raw Material to Total Purchases (%)	Supply Condition
Textiles and Foam	Europe and Asia	21.83	Stable
Sole Materials and Semi-finished Products	Asia	28.15	Stable
Leather and Leatherette	Asia	14.29	Stable
Shoelaces, Eyelets, and Accessories	Asia	10.09	Stable

Note: The following figures are based on data for the year 2025.

(4) List of major customers

A. List of vendors that accounted for more than 10% of total purchases within any one of the last two years, their purchase amount and ratio, and reasons for changes in this amount and ratio:

The Company's vendors disperse. There was no vendor that accounted for more than 10% of total purchases within any one of the last two years.

B. List of customers that accounted for more than 10% of total sales within any one of the last two years, their purchase amount and ratio, and reasons for changes in this amount and ration:

Unit: NT\$ Thousand

No.	2024				2025			
	Customer	Amount	Ratio of Sales to Net Sales through the Year (%)	Relationship with the Issuer	Customer	Amount	Ratio of Sales to Net Sales through the Year (%)	Relationship with the Issuer
1	B	3,199,691	21.90	None	A	3,589,781	20.76	None
2	A	2,280,788	15.61	None	B	3,347,976	19.36	None
3	C	1,910,896	13.08	None	C	1,967,273	11.37	None
4	D	1,477,375	10.11	None	D (Note)	-	-	-
	Others	5,742,721	39.30	-	Others	8,389,603	48.51	-
	Net Sales	14,611,471	100.00	-	Net Sales	17,294,633	100.00	-

Note: The customer's revenue did not exceed 10% of operating revenue in 2025, so no disclosure is provided.

Explanation for any changes:

The Company's major customers are world-renowned brands. In recent years, the Company has actively developed more outdoor brands in addition to maintaining cooperation with existing European and American brands. Except for a few customers that changed their needs or strategies, the Company has maintained good cooperation with most customers. The changes in customers are described as follows:

- (1) Customer A: The relationship with customers remained stable and healthy, earning their continued trust and resulting in increased revenue compared to the previous year.
- (2) Customer B: The relationship with customers remained stable and healthy, earning their continued trust and resulting in increased revenue compared to the previous year.

- (3) Customer C: The relationship with customers remained stable and healthy, earning their continued trust and resulting in increased revenue compared to the previous year.
- (4) Customer D: The relationship with customers remained healthy. However, due to reduced end-market demand in 2025, revenue experienced a decline compared to the previous year.

3. Human Resources

The number of employees, average service age, average age and academic distribution ratio in the last two years and as of the annual report date:

April 15, 2026; Unit: Person; year

Year		2024	2025	For the period from January 1 to March 31, 2026
Number of Employees	Management	646	726	747
	Production Line	22,359	23,537	25,167
	General Employees	4,067	4,984	5,367
	Total	27,072	29,247	31,281
Average Age		35.89	36.56	36.16
Average Year of Services		4.62	4.91	4.70
Education Ratio	PhD	-	-	-
	Master	27	31	30
	Bachelor or Equivalent	847	1,094	1,128
	Senior High School	11,595	13,279	14,439
	Below Senior High School	14,603	14,843	15,684

4. Disbursements for Environmental Protection

For losses incurred from environmental pollution (including compensation and environmental protection audit results violating environmental protection should be listed with the date of discipline, discipline number, violation of provision and clauses, violation of regulation content, and content of discipline), in addition to disclose the estimated amount and response measures for current and in the future possibly. Failure make reasonable evaluation should explain the factors that could not be reasonably estimated: None.

5. Labor Relations

- (1) Employee benefits, continuing education, training, retirement system and its implementation, agreements between the employer and employees, and protection of employees' rights and interests:

A. Employee benefits

- (A) The Company develops and promotes employees in a timely manner.
- (B) Employees have annual leaves every year.
- (C) Employees' performance is evaluated and awarded every year.
- (D) The Company employs personnel according to the initial employment criteria required for all positions and pays salary according to the standards of employee salary ranking bracket. Personnel of all levels of salary will not be treated due to gender. The work environment of same pay for same work truly implements the concept of gender and workplace equality.
- (E) During employment, employees are eligible to annual health examinations in accordance with the regulations governing the grievance and penalty for workplace sexual harassment prevention measures, to assure the physical and mental health of the employees.
- (F) Employees with outstanding performance in production are awarded, thereby encouraging employees with ambition.
- (G) The Company pays social insurance for employees according to local laws and regulations on a regular basis, providing employees with leave related to parental care, catastrophic injury and disease, and pandemic care.
- (H) The Company holds departmental dinners from time to time, organizes activities in response to festivals, and arranges the Company's environment. It also displays art and cultural works in each factory area, and changes them from time to time to provide employees with a comfortable and pleasant working and living environment.
- (I) Pantry room, breastfeeding room, dormitories, restaurants, dedicated parking lot, sports venues, and cultural activity centers are built inside the production base to provide employees comprehensive living and entertainment facilities.

B. Continuing education and training

The Company offers new employee orientation on plant regulations, safety rules, environmental protection, and 5S (Sort, Set In Order, Shine, Standardize, Sustain) principles. Training programs on skills and safety management are also provided for existing employees and supervisors. Personal development plans are also made to improve employees' overall competency on a regular basis. In addition, depending on business and operational needs, lecturers from consulting firms and professors are also engaged to teach supervisors and employees lean production. Internal or external training opportunities are provided to full-time employees as needed, and supervisors are periodically assigned to domestic or overseas training programs to improve their professional skills and support their career development. Results of training in 2025 are total of 28,370 attendances, a total of 143,195.1 hours.

C. Retirement system and its implementation

To ensure a stable post-retirement life for employees, the Company and its subsidiaries have established retirement management regulations in accordance with the Labor Standards Act and the Labor Pension Act. In compliance with local labor laws, the Company and its subsidiaries make monthly contributions to employees' individual labor pension accounts. Once employees meet the statutory retirement

requirements, the Company assists them in applying for their pension benefits through the government.

D. Agreements between the employer and employees, and protection of employees' rights and interests

The Company always values the rights and interests of employees and communicates with employees at any time to achieve people-oriented management. Employees are welcome to give feedback in meetings or by E-mail or mail at any time to facilitate labor communication. The Company maintains good labor communication and takes measures according to related laws and regulations. Since its incorporation, the Company has not been punished by the regulator in charge of labor.

E. Protective measures for work environment and employees' personal safety

The Company provides employees health examinations on a regular basis to improve their awareness of health status. In the operating environment, all new employees are required to receive safety and health training; those operating special machines and equipment are required to receive special safety training. In special workplaces, employees shall wear personal protective equipment correctly. In the operating environment which may generate dust or organic solvent steam, employees shall wear a mask. In a noisy environment, employees shall wear earplugs. Other preventive measures taken in production bases include the installation of speed bumps, ventilation systems, silencers, and mechanical safety devices.

(A) Unit or person in charge of environmental, health, and safety management:

The occupational health management department monitors the warnings and notices of occupational diseases and hazards regularly or from time to time, and examines whether warning signs are clean and legible every six months. If warning signs are found damaged, deformed, or faded, they should be repaired or replaced immediately. Each workshop shall identify occupational diseases and hazards based on the requirements of the Warning Signs for Occupational Hazards in the Workplace (GBZ158) and report warning signs required for the operation to the authority in charge of occupational health management; after reviewing and approving the warning signs reported by each workshop, the authority in charge of occupational health management will purchase the qualified warning signs to ensure the implementation of the warning and notification system.

(B) Safety and health management systems and measures:

a. Occupational health promotion education and training system

The occupational health management department shall work with the employee training department to ask for opinions on occupational health training according to laws and regulations and needs of positions, make and implement the occupational health training plan, and ensure the provision of training resources. The department shall also keep records of training and create training files, classify training, and evaluate the results of training for future improvement.

b. Maintenance system for occupational disease and hazard protective facilities

(a) The occupational health management department shall examine the occupational disease and hazard protective facilities every month; departments of use shall examine the protective facilities every week; workers on duty shall record the operation of the facilities every day.

- (b) The occupational health management department shall work with the equipment management department to make and implement the maintenance plan for occupational disease and hazard protective facilities based on the needs of departments, frequently examine the daily use, maintenance, and repair of the protective facilities, and keep related records.
 - (c) The equipment management department is responsible to repair the occupational disease and hazard protective facilities. When finding any malfunction, departments of use shall cut off the power and report to the equipment management department immediately. They may not repair the facilities or proceed with production without authorization.
 - (d) After the occupational disease and hazard protective facilities are repaired, the repair department shall clean up the site and confirm that the facilities are in satisfactory condition before handing them over to the departments of use with both parties' signatures affixed.
 - (e) The occupational disease and hazard protective facilities at each workshop or department shall be maintained by a designated person, and a related record shall be kept every day.
- (2) For losses arising from labor disputes in the most recent year and as of the printing date of the Annual Report (including labor inspection results in violation of Labor Standard Acts, which should describe the date of discipline, discipline number, provisions violated, regulation violated, and content of discipline), disclose the estimated amount and response measures likely to occur now and in the future. If such estimation could not be reasonably made, state the facts that prevent reasonable estimation: None.

6. Information Security Management

- (1) The framework of information security risk is described below:
- A. The Company has set up the IT department to be in charge of drafting information development strategies and information security policies, managing and improving information systems, and keeping abreast of changes in the information environment. The Company conducts security tests, information security surveys and consultations, and social engineering and information security incident drills on a regular basis to strengthen the employees' awareness of information security crises and the information security personnel's response, so as to prevent in advance and detect information security incidents promptly and stop them from spreading. During 2025 and up to the publication date of this annual report, there was no incidence of material information security risk that affected the Company's operation.
 - B. The IT department convenes meetings on unscheduled basis to review the implementation. The risk management team reports to the Board of Directors each year for implementation and review.

To keep information security risks under control, the Company has drafted the information security policies as follows:

(A) Control for Information Security Check

Prevent the enterprise information system from being invaded by foreign viruses or hackers to maintain the Company's normal business operation or rights and interests.

- (B) System Recovery Plan and Test Schedule Control
Ensure that the enterprise information system can be restored to normal business operations in the shortest time when it is damaged by force majeure events or human factors.
- (C) File and Equipment Security Control
Prevent files and data from being invaded by computer viruses to maintain the security of files and data and computer equipment.
- (D) Program and Data Access Control
Define the authority and scope of users' access to system programs and data to prevent improper access to system utilities, tools, and commands.

Specific management programs are described separately as follows:

- (A) Control for Information Security Check
 - a. The Company's mail server is equipped with a firewall and anti-virus software to block foreign intrusions.
 - b. Contractors inspect the emails received and sent on the server on a regular basis and report any abnormal situations to supervisors in charge of handling.
 - c. The IT department utilizes equipment to control and monitor online conduct and check the internet status and prevent unauthorized access.
 - d. The IT department regularly checks and evaluates the possible security vulnerability of the internet and takes protective actions accordingly.
- (B) System Recovery Plan and Test Schedule Control
 - a. The Company drafts the system recovery policies and makes amendments regularly.
 - b. The Company backs up systems regularly and designates the personnel to keep the backup files.
 - c. The computer systems and designs are equipped with appropriate preventive measures to reduce the chance of improper damage.
- (C) File and Equipment Security Control
 - a. IT personnel carry out file backups in daily operations according to the file and equipment security control regulations.
 - b. IT personnel carry out the periodic inspection, repair, and maintenance of computer equipment and peripherals, fire safety equipment, and support equipment.
 - c. IT personnel investigate the causes of any abnormal situations in the system, improve them, and keep them on file.
 - d. Access to the computer room should be controlled.
 - e. IT personnel update the version of anti-virus software and scan the computer hard disks on a regular basis.
- (D) Program and Data Access Control
 - a. The access and use of program files should be controlled according to account authority.
 - b. Important system utilities, tools, and commands should be restricted to access and query according to account authority.
 - c. Users of general application systems have no access to system utilities, tools, and commands apart from running the application system.
 - d. The access and use of program files are kept in traceable records.
 - e. Supervisors in charge review relevant records on a regular basis.
 - f. Passwords should not be displayed on the computer screens, nor printed in plain text in any reports.

In addition, new recruits must receive basic training on email and information systems before being assigned with an account in order to ensure that information security concepts are integrated into daily operations.

The 2025 implementations are described below:

- (A) A total of 2 internal training sharing and information security education for other departments were conducted in 2025. The content of the training includes overall system security, information security, video software operation, and email and website anti-phishing security training for a total of 175 hours and 250 attendances. No material information security incidents affecting the Group occurred in 2025.
 - (B) The off-site data backup service is conducted on a daily basis, and a disaster recovery drill is carried out once every six months to ensure that the off-site backup data can be restored normally.
 - (C) In March 2025, the Group's internal instant messaging system **【BeeWorks】** was established. With its unique "sandbox" function ensures that documents are not stored locally and that screenshots are watermarked.
 - (D) The Group has the [ESET Anti-Virus System] insured regularly in February every year.
- (2) For losses, possible influence and response measures due to materials information security incidents in the I and content of discipline), disclose the estimated amount and response measures likely to occur now and in the future, in the most recent year and as of the printing date of the Annual Report If such estimation could not be reasonably made, state the facts that prevent reasonable estimation: None.

7. Important Contracts

Existing important contracts of the Group at main places of operation are as follows:

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provision
Factory engineering contract	Dong Do Development Construction Investment Joint Stock Company	2023/12/5~ Completed	Medium pressure system engineering of transformer station of Sunglory Footwear Co., Ltd.	-
Factory engineering contract	Dong Do Development Construction Investment Joint Stock Company	2024/1/9~Completed	Matters related to the Factory engineering of Sunglory Footwear Co., Ltd.	-
Factory engineering contract	Dong Do Development Construction Investment Joint Stock Company	2024/7/15~ Completed	Matters related to the Factory engineering of Sunglory Footwear Co., Ltd.	-
Short-term Loan Contract	Citibank- Taiwan Branch	2026/1/26~2027/1/31	Line of credit NT\$600,000,000	Combined with US\$49.5 million
Short-term Loan Contract	SKBank Taiwan Branch	2026/4/14~2027/4/14	Line of credit NT\$600,000,000	Combined with credit line in medium-term NTD and short-term USD, US\$30 million
Short-term Loan Contract	First Commercial Bank - Taiwan Branch	2026/4/10~2027/4/10	Line of credit NT\$300,000,000	-
Short-term Loan Contract	HSBC Bank - Taiwan Branch	2025/5/19~2026/5/18	Line of credit NT\$300,000,000	Combined with US\$12 million
Short-term Loan Contract	Cathay United Bank - Taiwan Branch	2026/3/2~2026/6/30	Line of credit NT\$500,000,000	-
Short-term Loan Contract	Taipei Fubon Bank -Taiwan Branch	2025/5/27~2026/5/13	Line of credit NT\$500,000,000	Combined with US\$17.5million
Short-term Loan Contract	E.SUN COMMERCIAL BANK - Taiwan Branch	2025/6/30~2026/6/12	Line of credit NT\$500,000,000	Combined with credit line in short- to medium-term USD, US\$30 million
Short-term Loan Contract	CTBC Bank - Taiwan Branch	2025/7/31~2026/7/31	Line of credit NT\$1,200,000,000 (NT\$10 million performance guarantee amount included)	Combined with US\$40 million
Short-term Loan Contract	KGI Bank - Taiwan Branch	2025/9/26~2026/9/25	Line of credit NT\$300,000,000	Combined with credit line in USD, NT\$800 million
Short-term Loan Contract	KGI Bank - Taiwan Branch	2025/9/26~2026/9/25	Line of credit NT\$200,000,000	Real estate pledged
Short-term Loan Contract	Mega Bills - Taiwan Branch	2025/10/3~2026/10/2	Line of credit NT\$350,000,000	-
Short-term Loan Contract	Yuanta Bank - Taiwan Branch	2025/12/3~2026/12/2	Line of credit NT\$200,000,000	-
Short-term Loan Contract	DBS Bank - Taiwan Branch	2025/10/1~2026/9/30	Line of credit NT\$900,000,000	Combined with US\$30 million
Short-term Loan Contract	Bank SinoPac - Taiwan Branch	2026/1/26~2026/12/31	Line of credit NT\$600,000,000	Combined with credit line in medium-term NTD and short- to medium-term USD, NT\$600 million
Medium-Term Guaranteed Loan Contract	CTBC Bank - Taiwan Branch	2025/6/25~2032/6/25	Line of credit NT\$325,000,000	Real estate pledged, principal repaid quarterly

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provision
Mid-term Loan Contract	SKBank - Taiwan Branch	2026/4/14~2027/4/14	Line of credit NT\$450,000,000	Combined with credit line in short-term NTD and USD, US\$30 million
Mid-term Loan Contract	Bank SinoPac - Taiwan Branch	2026/1/26~2026/12/31	Line of credit NT\$600,000,000	Combined with credit line in short-term NTD and short- to medium-term USD, NT\$600 million
Bills of Exchange Contract	First Commercial Bank - Concord Enterprises Limited (HK)	2026/4/10~2027/4/10	Line of credit US\$8,000,000	-
Bills of Exchange Contract	Taipei Fubon Bank - Concord Enterprises Limited (HK)	2025/5/27~2026/5/13	Line of credit US\$3,000,000	-
Bills of Exchange Contract	Cathay United Bank - Concord Enterprises Limited (HK)	2025/6/30~2026/6/30	Line of credit US\$3,000,000	-
Bills of Exchange Contract	E.SUN COMMERCIAL BANK - Concord Enterprises Limited (HK)	2025/6/30~2026/6/12	Line of credit US\$3,000,000	-
Bills of Exchange Contract	CTBC Bank - Capital Concord Enterprises Limited (HK)	2025/7/31~2026/7/31	Line of credit US\$5,000,000	-
Short-term Loan Contract	Citibank- Concord Enterprises Limited (HK)	2026/1/26~2027/1/31	Line of credit US\$49,500,000	Combined with credit line in NTD
Short-term Loan Contract	SKBank- Concord Enterprises Limited (HK)	2026/4/14~2027/4/14	Line of credit US\$15,000,000	Combined with credit line in short- to medium-term NTD, US\$30 million
Short-term Loan Contract	First Commercial Bank - Concord Enterprises Limited (HK)	2026/4/10~2027/4/10	Line of credit US\$45,000,000	-
Short-term Loan Contract	HSBC Bank - Concord Enterprises Limited (HK)	2025/5/19~2026/5/18	Line of credit US\$12,000,000	Combined with credit line in NTD
Short-term Loan Contract	Taipei Fubon Bank - Capital Concord Enterprises Limited (HK)	2025/5/27~2026/5/13	Line of credit US\$17,500,000	Combined with credit line in NTD, US\$17.5 million
Short-term Loan Contract	Cathay United Bank - Concord Enterprises Limited (HK)	2026/3/2~2026/6/30	Line of credit US\$30,000,000	-
Short-term Loan Contract	E.SUN COMMERCIAL BANK - Concord Enterprises Limited (HK)	2025/6/30~2026/6/12	Line of credit US\$30,000,000	Combined with credit line in short-term NTD and medium-term USD, US\$30 million
Short-term Loan Contract	CTBC Bank - Capital Concord Enterprises Limited (HK)	2025/7/31~2026/7/31	Line of credit US\$40,000,000	Combined with credit line in NTD
Short-term Loan Contract	SCSB - Capital Concord Enterprises Limited (HK)	2025/9/1~2026/8/31	Line of credit US\$5,000,000	Purchasing and export financing limits.

Nature of Contract	Contracting Party	Contract Start/End Date	Main Content	Restrictive Provision
Short-term Loan Contract	KGI Bank - Capital Concord Enterprises Limited (HK)	2025/9/26~2026/9/25	Line of credit US\$20,000,000	Combined with NT\$800 million
Short-term Loan Contract	DBS Bank- Concord Enterprises Limited (HK)	2025/10/1~2026/9/30	Line of credit US\$30,000,000	Combined with credit line in NTD, US\$30 million
Short-term Loan Contract	Yuanta Bank - Capital Concord Enterprises Limited (HK)	2025/12/3~2026/11/21	Line of credit US\$7,000,000	-
Short-term Loan Contract	Bank SinoPac - Capital Concord Enterprises Limited (HK)	2026/1/26~2026/12/31	Line of credit US\$20,000,000	Combined with credit line in short- to medium-term NTD and medium-term USD, NT\$600 million
Mid-term Loan Contract	First Commercial Bank - Concord Enterprises Limited (HK)	2025/7/17~2027/7/16	Line of credit US\$6,000,000	Revolving credit line, two-year term.
Mid-term Loan Contract	First Commercial Bank - Concord Enterprises Limited (HK)	2025/7/17~2026/7/16	Line of credit US\$14,000,000	Non-revolving credit line, five-year term, with a drawdown period of up to 12 months.
Mid-term Loan Contract	E.SUN COMMERCIAL BANK - Concord Enterprises Limited (HK)	2025/6/30~2027/6/12	Line of credit US\$20,000,000	Combined with credit line in short-term NTD and USD, US\$30 million
Mid-term Loan Contract	Bank SinoPac - Capital Concord Enterprises Limited (HK)	2026/1/26~2026/12/31	Line of credit US\$20,000,000	Combined with credit line in short- to medium-term NTD and short-term USD, NT\$600 million
Short-term Loan Contract	E.SUN COMMERCIAL BANK – Fulgent Sun Footwear (VN)	2025/12/1~2026/9/14	Line of credit US\$5,000,000	-
Short-term Loan Contract	Cathay United Bank – Fulgent Sun Footwear (VN)	2025/8/29~2026/8/28	Line of credit US\$5,000,000	-

VI. Review and Analysis of Financial Conditions, Financial Performance, and Risk Issues

1. Financial Conditions

Unit: NT\$ Thousand

Item	Year	2024	2025	Difference	
				Amount	Amount
Current Assets		10,139,237	9,037,112	(1,102,125)	(10.87)
Property, Plant and Equipment		9,536,332	10,676,264	1,139,932	11.95
Intangible Assets		39,373	35,927	(3,446)	(8.75)
Other Assets		2,050,241	1,985,948	(64,293)	(3.14)
Total Assets		21,765,183	21,735,251	(29,932)	(0.14)
Current Liabilities		5,535,503	6,538,595	1,003,092	18.12
Non-current Liabilities		2,158,785	1,410,917	(747,868)	(34.64)
Total Liabilities		7,694,288	7,949,512	255,224	3.32
Share Capital		2,535,697	2,009,917	(525,780)	(20.74)
Capital Surplus		5,905,340	6,605,628	700,288	11.86
Retained Earnings		5,935,795	6,124,019	188,224	3.17
Other Equity		(269,057)	(970,490)	(701,433)	(260.70)
Treasury Shares		(57,583)	-	57,583	100.00
Non-controlling Interests		20,703	16,665	(4,038)	(19.50)
Total Equity		14,070,895	13,785,739	(285,156)	(2.03)

(1) The aforementioned data are prepared based on the Company's consolidated financial statements.

(2) Analysis and explanation of the increase and decrease in ratio (the change ratio in the two periods exceeds 20% for an amount of NT\$10,000 thousand):

A. Non-current liabilities: A decrease from that of last year, mainly due to the reclassification of corporate bonds payable from non-current liabilities to current liabilities in the fourth quarter of 2025, in accordance with the issuance regulations.

B. Share Capital: A decrease from that of last year, mainly due to the capital received in advance at the end of 2024 being reclassified as paid-in capital after the record date of the 2025 capital increase, with the share premium portion reclassified to capital surplus.

C. Other equity: A decrease from last year, mainly due to the exchange difference on the translation of financial statements of foreign operations.

D. Treasury shares: An increase from that of last year, mainly due to the transfer of treasury shares to employees during this period.

(3) The main reasons and impacts of changes in the Company's current liabilities and non-current liabilities in the last two years and future response plans:

The increase in current liabilities and the decrease in non-current liabilities in this period were primarily due to the reclassification of corporate bonds payable from non-current liabilities to current liabilities in the fourth quarter of 2025, in accordance with the issuance regulations, as the addition of new medium-term secured loans for the acquisition of property, plant, and equipment in 2025.

2. Financial Performance

Unit: NT\$ Thousand

Item	Year	2024	2025	Difference	
				Amount	%
Operating Revenue		14,611,471	17,294,633	2,683,162	18.36
Operating Costs		11,823,935	14,131,404	2,307,469	19.52
Gross Profit from Operations		2,787,536	3,163,229	375,693	13.48
Operating Expenses		1,516,593	1,571,427	54,834	3.62
Net Operating Income		1,270,943	1,591,802	320,859	25.25
Non-operating Income and Expenses		469,456	(8,024)	(477,480)	(101.71)
Profit before Income Tax		1,740,399	1,583,778	(156,621)	(9.00)
Income Tax Expenses		366,553	373,464	6,911	1.89
Net Income		1,373,846	1,210,314	(163,532)	(11.90)
Other Comprehensive Income (Loss), net of tax		424,494	(701,510)	(1,126,004)	(265.26)
Total Comprehensive Income		1,798,340	508,804	(1,289,536)	(71.71)
Net Income Attributable to:					
Owners of the Parent Company		1,376,460	1,213,482	(162,978)	(11.84)
Non-controlling Interests		(2,614)	(3,168)	(554)	(21.19)
Comprehensive Income (Loss) attributable to:					
Owners of the Parent Company		1,800,978	512,049	(1,288,929)	(71.57)
Non-controlling Interests		(2,638)	(3,245)	(607)	(23.01)

- (1) The aforementioned data are prepared based on the Company's consolidated financial statements.
- (2) Analysis and explanation of the increase and decrease in ratio (the change ratio in the two periods exceeds 20% for an amount of NT\$10,000 thousand):
- A. Net operating income: Due to the steady expansion of order demand and production capacity, both revenue and costs increased compared to the same period last year. Benefiting from economies of scale, net operating profit grew significantly compared to the same period last year.
- B. Non-operating income and expenses: Mainly due to the depreciation of the US dollar, which resulted in a substantial difference in foreign exchange gains and losses between the two periods.
- C. Other comprehensive income and loss for the period and total comprehensive income and loss for the period: Mainly due to exchange differences on translation of financial statements of foreign operations.
- (3) The expected sales volume in the next year and the support for such expectation, the possible impact on the Company's future financial business and response plans: The Company formulates annual shipment target mainly based on the estimated demand of customers and changes in global market size, considering production capacity planning and past operating performance; also, always pays attention to changes in market demand, expands market share, develops new customers, increases company profits, and maintains a stable and good financial position continuously.

3. Cash Flows

(1) Analysis of cash flows for the current year (2025)

Unit: NT\$ Thousand

Cash Balance at Beginning of Period	Net Cash Flows from Operating Activities	Cash Flows Used	Cash Balance (Inadequacy)	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
3,378,425	1,939,493	(2,953,229)	2,364,689	-	-
<p>1. Analysis of changes in the cash flow for the recent year:</p> <p>Operating activities: The net cash inflow from operating activities is NT\$1,939,493 thousand in the current period, mainly due to the operating cash received.</p> <p>Investment activities: The net cash outflow from investing activities is NT\$2,314,019 thousand in this period, mainly due to the continuing expansion of factories in Southeast Asia.</p> <p>Financing activities: The net cash outflow from financing activities is NT\$629,545 thousand in this period, mainly due to a decrease of NT\$116,475 thousand in short-term borrowings, an increase of NT\$345,496 thousand in long-term borrowings, NT\$134,202 thousand in cash capital injections, and NT\$1,003,728 thousand in cash dividends.</p> <p>2. Remedial measures for cash inadequacy and liquidity analysis: N/A.</p>					

- (2) Improvement plan for insufficient liquidity: The Company expects to make profits in 2026 continuously, so a net cash inflow from operating activities is expected, which should be sufficient enough to support cash outflows from investing activities without the risk of insufficient liquidity.

(3) Analysis of Liquidity for the future year (2026)

Unit: NT\$ Thousand

Cash Balance at Beginning of Period	Net Cash Flows from Operating Activities	Cash Flows Used	Cash Balance (Inadequacy)	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
2,364,689	2,400,000	(2,200,000)	2,564,689	-	-
<p>1. Analysis of changes in the cash flow for the future year:</p> <p>Operating activities: The net cash inflow from operating activities is mainly due to the operating cash received.</p> <p>Investing activities and financing activities: It is mainly the purchase of fixed assets, repayment of loans, and payment of dividends.</p> <p>2. Remedial measures for cash inadequacy and liquidity analysis: N/A.</p>					

4.Impact of Major Capital Expenditures on Corporate Finances and Business for the Most Recent Year

(1) Use and funding sources of major capital expenditures

The property, plant and equipment acquired by the Company amounted to NT\$1,792,838 thousand and NT\$2,446,126 thousand in 2024 and 2025, respectively, which is due to the capital expenditures for the expansion and construction of new plants. The comparison of the Company's fixed assets and total asset turnover rates in the last five years is shown in the table below, indicating that the Company's various turnover rates have been maintained at a certain level, and the increase in capital expenditures has not adversely affected the Company's financial conditions.

Year	2021	2022	2023	2024	2025
Property, Plant, and Equipment Turnover Rate	2.35	3.01	1.98	1.64	1.71
Total Asset Turnover Rate	0.97	1.19	0.81	0.72	0.80

(2) Expected potential benefits

The expansion of production bases is expected to increase the Company's capacity and operating scale in line with future orders and urgent order. Future operating revenue is expected to grow.

5.Reinvestment Policy, Main Causes for Profits or Losses, Improvement Plans for the Most Recent Year and Investment Plans for the Following Year

(1) Reinvestment policy

The Company focuses on its primary business sector and its investment policy is based on investment related to the businesses. The responsible department shall comply with the Investment Cycle under the internal control system and the Procedures for Acquisition or Disposal of Assets; the relevant regulations and procedures have been discussed and approved by the Board of Directors or at a shareholders' meeting.

(2) Main causes for profits or losses and improvement plans for reinvestment for the most recent year

Unit: NT\$ Thousand; %

Investee	Shareholding Ratio	Investment gains and losses recognized in 2025	Main causes for profits or losses	Improvement Plan
Capital Concord Enterprises Limited	100	1,335,851	Good business operation	None
Wisquare Enterprise Limited	-	-		The cancellation was completed on March 14, 2025
Medao Trading Co., Ltd.	100	370	Good business operation	None
Fujian Sunshine Footwear Co., Ltd.	100	(125,051)	Loss due to a lack of economic efficiency	Increase production efficiency and continue to expand business to improve profitability
Hubei Sunsmile Footwear Co., Ltd.	100	(88,912)	Loss due to a lack of economic efficiency	Increase production efficiency and continue to expand business to improve profitability
Sunny Footwear Co., Ltd.	100	12,466	Good business operation	None
Fujian Laya Outdoor Products Co., Ltd.	100	23,197	Good business operation	None
Fulgent Sun Footwear Co., Ltd.	100	397,274	Good business operation	None
NGOC HUNG Footwear Co., Ltd.	100	40,643	Good business operation	None
Eversun Footwear Co., Ltd.	100	109,103	Good business operation	None
Sunglory Footwear Co., Ltd.	100	(22,320)	Loss due to the lack of economies of scale in the initial stage of operations	Increase production efficiency and continue to expand business to improve profitability
Lin Wen Chih Sunbow Enterprises Co., Ltd.	100	190,100	Good business operation	None
Lin Wen Chih Sunstone Enterprises Co., Ltd.	100	(25)	Loss due to a lack of economic efficiency	Reduce fixed costs to reduce losses

Investee	Shareholding Ratio	Investment gains and losses recognized in 2025	Main causes for profits or losses	Improvement Plan
Lin Wen Chih Sunzeal Enterprises Co., Ltd	100	(6,527)	Loss resulting from the start-up stage with operations not yet commenced	None
Lin Wen Chih Sunlit Enterprises Co., Ltd.	100	2,790	Good business operation	None
PT. SUN BRIGHT LESTARI	100	(59,971)	Loss due to the lack of economies of scale in the initial stage of operations	Increase production efficiency and continue to expand business to improve profitability
Laya Technology Co., Ltd.	70.12	(7,206)	Loss due to a lack of economic scale efficiency	Increase production efficiency and continue to expand business to improve profitability

(3) Investment plans for the coming year

In response to the increase in future orders and inadequate capacity, the Company plans to expand stably in areas outside China in 2026 in the hope of creating resilient room for overall profit.

6.Risk Issues

(1) Impact of changes in interest rates, foreign exchange rates and inflation on corporate finance, and future response measures

A. Interest rate

The Company's financial structure is good with sufficient funds. The interest expenses in 2024 and 2025 were NT\$43,565 thousand and NT\$56,891 thousand, respectively, accounting for 0.30% and 0.33% of operating revenue and 2.50% and 3.59% of profit before income tax, respectively. The interest-bearing borrowings in 2024 and 2025 accounted for 6.94% and 7.67% of total assets, respectively. The interest-bearing borrowings were used for working capital, and so the change in interest rates had little impact on the Company.

B. Foreign exchange rate

The functional currencies of the Company's subsidiaries in the Republic of China, People's Republic of China, and Southeast Asia are NTD, CNY, VND, IDR, and USD. The overall fluctuations in foreign exchange rates could reach balance between receivables and payables, achieving the effect of natural hedges.

In the future, the Company will collect information on changes in foreign exchange rates, make cash flow forecasts, and adopt appropriate hedging policy and methods to control supply and demand of foreign currencies. The financial personnel shall maintain the appropriate exchange position based on the future

trend of foreign exchange rates in response to the need of operation to reduce the impact of changes in foreign exchange rates on the Company's profit.

C. Inflation

Observation of domestic and international economic situation: With the easing of global supply chain pressures and the implementation of tightening monetary policies by various countries, the persistently high inflationary pressures cooled significantly in 2024. Furthermore, central banks worldwide (such as the US and Europe) successively initiated a cycle of interest rate cuts in the second half of 2024 and 2025 to alleviate the constraints of high interest rates on economic growth. This has successfully guided the global economy from a "fighting inflation" model to a "stable growth" model, while synchronously boosting terminal consumption momentum.

In summary, in a rapidly changing economic environment, there is no significant influence of inflation or deflation on the Company as of the printing date of the Annual Report. Furthermore, the burgeoning popularity of recreational sports in recent years has driven the continuous expansion of the global recreational sports product market. The Company stays abreast of global political and economic fluctuations (such as tariff policies and geopolitical volatility) and footwear market price fluctuations, maintaining positive relationships with suppliers and customers while flexibly adjusting our procurement and sales strategies. Thus, the Company should be able to effectively respond to the impacts of future economic changes, such as inflation or contraction, without incurring significant consequences.

- (2) Policies, main causes for profits or losses and future response measures with regard to high-risk and high-leverage investments, lending of funds, endorsements/guarantees, and derivatives trading

The Company has established the Procedures for the Acquisition or Disposal of Assets, the Procedures for Making Endorsements/Guarantees, and the Procedures for Lending Funds to others as the basis of operation for the Company and its subsidiaries. As of the printing date of the Annual Report, the Company has not engaged in high-risk and high-leverage investments or derivatives trading. Based on the principle of sound and robust operation, the Company will not consider engaging in high-risk and high-leverage investments or derivatives trading in the future. Due to the need of operation, the Company has made endorsements/guarantees and lent funds to subsidiaries in accordance with the Procedures for Lending Funds to Others and the Procedures for Making Endorsements/Guarantees.

- (3) Future research & development projects and corresponding budgets

In addition to developing new models and testing samples, the Company's developers are also responsible to collect market information and analyze product trends. The Company believes that technological innovation and process transformation are the keys to improving the quality and added value of products. Although the existing research and development team is sufficient for current research and development, the Company will improve its quality and quantity considering the rapid change and improved competitiveness in the industry. Estimated investment in research and development expenses accounted for approximately 1~3% of the consolidated net revenue.

- (4) Impact of changes in major policies and laws on corporate finance and business, and response measures

Registered in Cayman Islands, the Company operates in China, Hong Kong, Vietnam, Cambodia, and Indonesia in accordance with important policies and laws at home and abroad. The Company also pays close attention to changes in local policies, laws and markets to respond immediately. As of the printing date of the Annual Report, there is no significant impact of major policies and laws on the Company's finance and business.

- (5) Impact of changes in technology and industry on corporate finance and business, and response measures

The Company specializes in the OEM production and sale of footwear, including sports, outdoor, and leisure shoes. Our customers are world-renowned brands of outdoor and sporting goods; some of our customers are even leaders in the industry that drive product trends and fashion directions. The Company develops products and masters the market depending on information provided by customers and close cooperation with them. Without these important customers, it will be difficult for the Company to respond immediately to the changes in technology and industry, leading to an adverse impact on the Company's operations. Therefore, the Company aims to develop its own brands based on consumers' needs and market trends while receiving the latest information from customers in response to future changes in the footwear industry.

- (6) Impact of changes in corporate image on corporate risk management, and response measures

Upholding a people-oriented business philosophy, the Company has strived to pursue sustainable development and attach great importance to corporate image and risk control with the corporate cultures of integrity, innovation, speed, and quality. Since incorporation, the Company has always focused on its primary business sector. As of the printing date of the Annual Report, there is no serious impact on the Company's corporate image.

- (7) Expected benefits from and risks relating to merger and acquisition plans

In response to the need of listing in Taiwan, the Group has restructured and integrated resources since the end of 2009. Apart from this, there is no merger or acquisition. The Group has restructured in accordance with local laws and the Company's Articles of Association; there is no adverse impact of risks arising from mergers and acquisitions on the Company's operation.

- (8) Expected benefits from and risks relating to plant expansion plans

With the increasing popularity of sports activities, the Company plans to expand stably in Vietnam and Cambodia in the hope of creating resilient room of favor and thereby accomplishing the overall profit increase.

- (9) Risks relating to and responses to excessive concentration of purchasing sources and customers

A. Risks relating to and responses to excessive concentration of purchasing sources

To avoid the risk of supply (material) shortage, the Company does not purchase raw materials from single or few suppliers; instead, the Company chooses the most suitable suppliers based on the needs, prices, quality, and delivery of products. The Company has maintained good cooperation with suppliers. There is no excessive concentration of purchasing sources.

B. Risks relating to and responses to excessive concentration of customers

The Company's products include sports shoes, outdoor shoes, hiking shoes, casual shoes and functional shoes from greater than 50 renowned brands at home and abroad. Our products are sold across Europe, America, and Asia. There is no excessive concentration of customers. In addition, the Company has strived to develop new customers. Currently, the Company has received orders from customers around the world and keeping the delivery for some new brands.

- (10) Impact of, risks relating to and responses to mass transfers or changes in shareholding of directors, supervisors, or major shareholders with a shareholding ratio of 10% or more

In the most recent year and as of the printing date of the Annual Report, there is no mass transfer or change in shareholding of directors, supervisors, or major shareholders with a shareholding ratio of 10% or more.

- (11) Impact of and risks relating to the changes in ownership

The Company has no significant change in ownership. The Company has set up independent directors to protect the rights and interests of shareholders. The daily operation of the Company depends on professional managers, which should continuously receive support from shareholders; therefore, the change in ownership should have no significant adverse impact on the Company's operation.

- (12) Litigation or non-litigation cases: litigious or non-litigious proceedings or administrative disputes involving a director, a supervisor, the president, the de facto person in charge, a 10% or greater major shareholder, or an affiliate company of the company with respect to which a judgment has become final and unappeasable, or is still pending, and whose outcome could materially impact shareholders' equity or the prices of the Company's securities

A director, a supervisor, the President, a de facto person in charge, a 10% or greater major shareholder, or an affiliate company of the Company is not involved in any litigious or non-litigious proceedings or administrative disputes.

- (13) Other important matters: None.

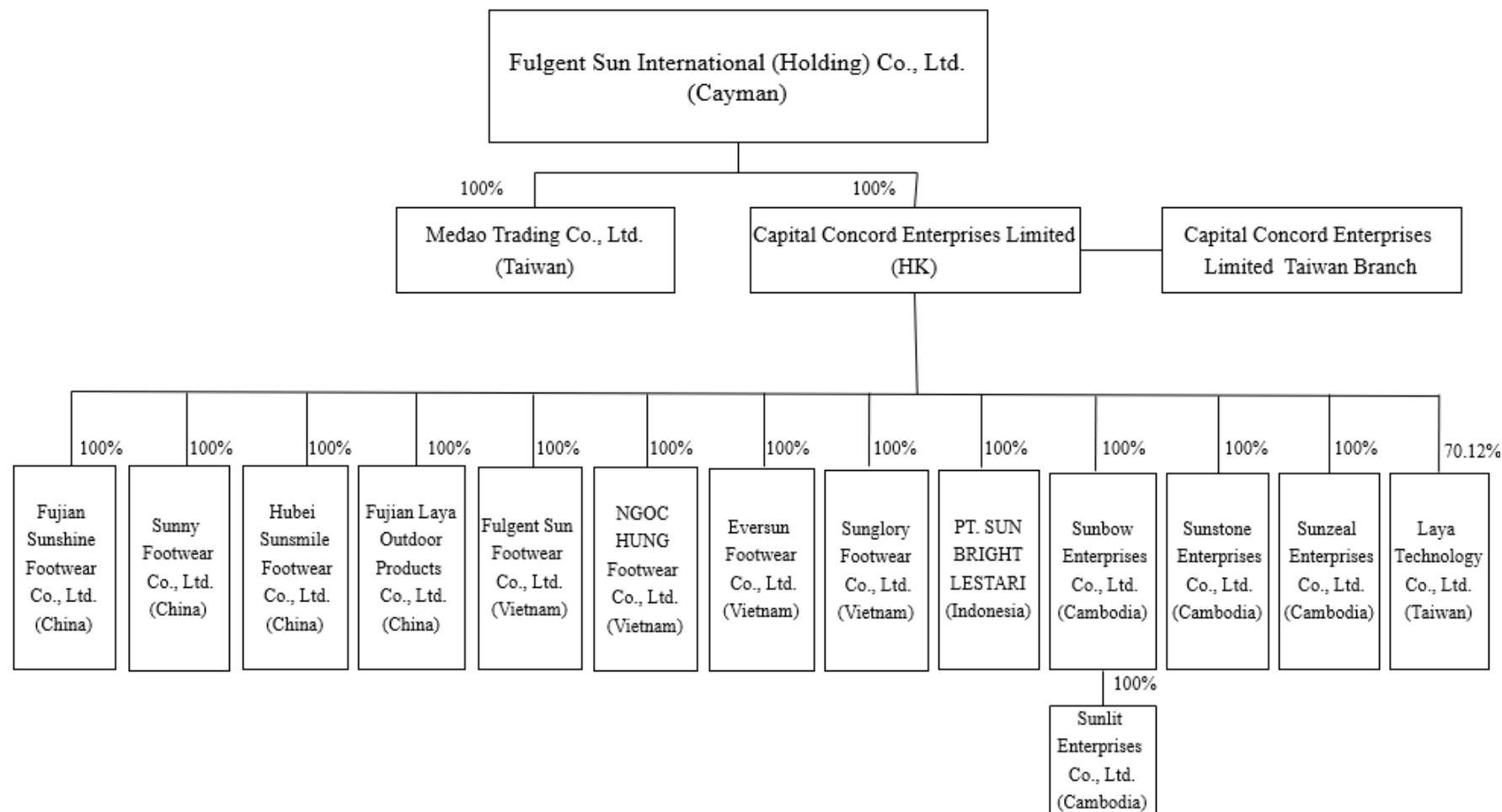
7. Other Important Issues: None.

VII. Special Notes

1. Affiliated Companies

(1) Organizational chart of affiliated companies

Reference Date: December 31, 2025



(2) Basic information on affiliated companies

December 31, 2025; Unit: NT\$ Thousand

Name of Company	Date of Incorporation	Location	Paid-in Capital	Scope of Business or Product Item
Fulgent Sun International (Holding) Co., Ltd.	2009/11/24	Cayman Islands	2,009,917	Holding company
Capital Concord Enterprises Limited	1994/12/15	Hong Kong	8,432,973	Holding and sales of footwear
Fujian Sunshine Footwear Co., Ltd.	1995/3/22	Fujian Province, China	723,826	Production and sales of footwear
Fulgent Sun Footwear Co., Ltd.	2003/1/15	Hung Yen Province, Vietnam	2,282,239	Production of footwear
Sunny Footwear Co., Ltd.	2005/9/6	Fujian Province, China	130,680	Production and sales of footwear
Hubei Sunsmile Footwear Co., Ltd.	2009/6/2	Hubei Province, China	912,517	Production and sales of footwear
Fujian Laya Outdoor Products Co., Ltd.	2009/10/30	Fujian Province, China	40,656	Import/export trading
Lin Wen Chih Sunbow Enterprises Co., Ltd.	2013/12/16	Kandal Province, Cambodia	1,518,038	Production and sales of footwear
Lin Wen Chih Sunstone Enterprises Co., Ltd.	2013/12/16	Kandal Province, Cambodia	445,848	Production and sales of footwear
Lin Wen Chih Sunlit Enterprises Co., Ltd.	2013/12/16	Kandal Province, Cambodia	232,402	Land lease business
NGOC HUNG Footwear Co., Ltd.	2015/1/26	Hai Phong City, Vietnam	1,433,314	Production of footwear
Eversun Footwear Co., Ltd.	2021/8/5	Ninh Binh Province, Vietnam	1,154,305	Production of footwear
PT. SUN BRIGHT LESTARI.	2021/12/16	Indonesia	2,073,708	Production and sales of footwear
Laya Technology Co., Ltd.	2022/8/23	Taiwan	57,500	Production and sales of shoes material and machinery
Lin Wen Chih Sunzeal Enterprises Co., Ltd	2023/2/17	Kompong Speu Province, Cambodia	181,266	Production and sales of footwear
Sunglory Footwear Co., Ltd.	2023/5/10	Hung Yen Province, Vietnam	1,319,212	Production and sales of footwear
Medao Trading Co., Ltd.	2023/10/13	Taiwan	1,000	Import/export trading

(3) Shareholders in common of the company and its affiliated companies with deemed control and subordination: N/A.

(4) Overall business scope of affiliated companies:

The Group's main businesses are investment, production and sales of various footwear, and also export trade business such as shoe spare parts. The main business or production items of each affiliated company are detailed in (2) Basic information on affiliated companies.

(5) Director, supervisor and managers of affiliated companies

Shareholding as of March 28, 2026

Name of Company	Title	Name or Representative	Shareholding	
			Number of Shares (Share)	Shareholding Ratio (%)
Fulgent Sun International (Holding) Co., Ltd.	Chairman	Wen-Chih, Lin (Note 1)	31,040,379	15.44
	Director/President	Fang-Chu, Liao (Note 2)	26,746,154	13.31
	Director/ Executive Vice President	Chih-Cheng, Liao	409,038	0.20
	Independent Director	Shu-Ching, Chou	-	-
	Independent Director	Hui-Ying, Wang	-	-
	Independent Director	Neng-Shu, Yang	-	-
	Independent Director	Feng-Tsung, Cheng	-	-
	Independent Director	Chien-Hsun, Wen	-	-
Capital Concord Enterprises Limited	Chairman	Wen-Chih, Lin	-	-
	Director	Fang-Chu, Liao	-	-
	Director	Chih-Cheng, Liao	-	-
Fujian Sunshine Footwear Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
	Director/ President	Fang-Chu, Liao	-	-
	Director	Hao-Yi, Lin	-	-
	Supervisor	Hui-Yi, Lin	-	-
Fulgent Sun Footwear Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
	Director/ President	Fang-Chu, Liao	-	-
	Director	Hao-Yi, Lin	-	-
	Director	Hui-Yi, Lin	-	-
	Director	Chih-Cheng, Liao	-	-
Sunny Footwear Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
	Director/ President	Fang-Chu, Liao	-	-
	Director	Chih-Cheng, Liao	-	-
	Director	Hao-Yi, Lin	-	-
	Supervisor	Ming-Hsien, Chen	-	-
Hubei Sunsmile Footwear Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
	Director/ President	Fang-Chu, Liao	-	-
	Director	Chih-Cheng, Liao	-	-
	Director	Hui-Yi, Lin	-	-
	Supervisor	Ming-Hsien, Chen	-	-

Name of Company	Title	Name or Representative	Shareholding	
			Number of Shares (Share)	Shareholding Ratio (%)
Fujian Laya Outdoor Products Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
	Director/President	Fang-Chu, Liao	-	-
	Director	Hui-Yi, Lin	-	-
	Supervisor	Ming-Hsien, Chen	-	-
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
	Director/President	Fang-Chu, Liao	-	-
	Director	Chih-Cheng, Liao	-	-
Lin Wen Chih Sunstone Enterprises Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
	Director/President	Fang-Chu, Liao	-	-
	Director	Chih-Cheng, Liao	-	-
Lin Wen Chih Sunlit Enterprises Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
	Director	Hao-Yi, Lin	-	-
NGOC HUNG Footwear Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
	Director/President	Fang-Chu, Liao	-	-
	Director	Hao-Yi, Lin	-	-
	Director	Hui-Yi, Lin	-	-
	Director	Chih-Cheng, Liao	-	-
Eversun Footwear Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
	Director/President	Fang-Chu, Liao	-	-
	Director	Hao-Yi, Lin	-	-
	Director	Hui-Yi, Lin	-	-
PT. SUN BRIGHT LESTARI	Chairman	Wen-Chih, Lin	-	-
	Director/President	Fang-Chu, Liao	-	-
	Director	Stefanus Chandra	-	-
	Supervisor	Chi-Jen, Wu	-	-
Laya Technology Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
	Supervisor	Fang-Chu, Liao	-	-
Lin Wen Chih Sunzeal Enterprises Co., Ltd	Chairman	Wen-Chih, Lin	-	-
	Director/President	Fang-Chu, Liao	-	-
	Director	Chih-Cheng, Liao	-	-
Sunglory Footwear Co., Ltd.	Chairman	Wen-Chih, Lin	-	-
Medao Trading Co., Ltd.	Chairman	Wen-Chih, Lin	-	-

Note 1: Personal shares held by Wen-Chih, Lin and those held indirectly through the custodial account (LASPORTIVA INT'L CO., LTD.) used by CTBC Bank.

Note 2: Personal shares held by Fang-Chu, Liao and those held indirectly through the custodial account (MEINDL INT'L CO., LTD.) used by CTBC Bank.

(6) Operational highlights of affiliated companies

December 31, 2025; Unit: NT\$ Thousand

Name of Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income	Net Income (after Tax)
Fulgent Sun International (Holding) Co., Ltd.	2,009,917	13,415,238	1,375,032	12,040,206	-	(66,198)	1,213,482
Capital Concord Enterprises Limited	8,432,973	25,297,821	10,182,581	15,115,240	16,708,861	1,094,260	1,335,851
Fujian Sunshine Footwear Co., Ltd.	723,826	2,449,537	551,663	1,897,874	1,706,245	(133,917)	(124,605)
Fulgent Sun Footwear Co., Ltd.	2,282,239	4,730,985	1,350,130	3,380,855	4,083,824	441,135	397,274
Sunny Footwear Co., Ltd.	130,680	558,646	145,406	413,240	506,849	24,596	12,466
Hubei Sunsmile Footwear Co., Ltd.	912,517	2,055,767	1,146,772	908,995	264,595	(104,535)	(78,224)
Fujian Laya Outdoor Products Co., Ltd.	40,656	702,012	497,546	204,466	1,042,139	48,605	27,852
Lin Wen Chih Sunbow Enterprises Co., Ltd.	1,518,038	4,330,713	659,645	3,671,068	3,558,347	219,258	190,100
Lin Wen Chih Sunstone Enterprises Co., Ltd.	445,848	217,802	2,136	215,666	-	(10,739)	(25)
Lin Wen Chih Sunlit Enterprises Co., Ltd.	232,402	252,079	878	251,201	4,075	3,501	2,790
NGOC HUNG Footwear Co., Ltd.	1,433,314	1,432,517	133,228	1,299,289	899,481	49,352	40,643
Eversun Footwear Co., Ltd.	1,154,305	1,287,628	101,960	1,185,668	950,274	137,193	109,103
PT. SUN BRIGHT LESTARI	2,073,708	2,068,083	177,864	1,890,219	31,457	(60,331)	(59,971)
Laya Technology Co., Ltd.	57,500	67,357	11,585	55,772	-	(11,533)	(9,077)
Lin Wen Chih Sunzeal Enterprises Co., Ltd	181,266	159,145	752	158,393	-	(9,052)	(6,527)
Sunglory Footwear Co., Ltd.	1,319,212	1,601,210	349,790	1,251,420	10,047	(28,330)	(22,320)
Wisesquare Enterprise Limited (Note)	-	-	-	-	-	-	-
Medao Trading Co., Ltd.	1,000	9,240	8,037	1,203	30,214	(221)	273

Note: The cancellation was completed on March 14, 2025.

(7) Consolidated financial statements of affiliated companies: Same as the consolidated financial statements.

2. Private Placement of Securities in the Most Recent Year and as of the Printing Date of the Annual Report: None.

3. Other Necessary Supplements: None.

VIII. Any Events in the Most Recent Year and As of the Printing Date of the Annual Report that Had Significant Impact on Shareholders' Equity or Securities Prices prescribed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

IX. Any Material Differences from the Rules of the R.O.C. in Relation to the Protection of Shareholders' Equity

Protection of Shareholders' Equity	The Company's Articles of Association and Reason for Discrepancies
<p>Shareholders who have continued for more than one year and hold more than 3% of the total number of issued shares may request the Board of Directors to convene an extraordinary meeting of shareholders, stating the proposed items and reasons in writing. If the Board of Directors fails to notify the meeting within 15 days after the request is made, the shareholders may call the meeting on their own with the approval of the competent authority.</p>	<p>Regarding the issues where shareholders convene extraordinary shareholders' meetings, according to Cayman's lawyers, since the Cayman Company Laws provide no special requirements on the location of shareholders' meetings of exempted companies and no specific regulations on matters convened by shareholders, Article 14.7 of the Company's Articles of Association does not stipulate that shareholders shall report to the competent authority for approval before convening an extraordinary shareholders meeting on their own.</p>
<p>The following proposals involving major interests of shareholders shall be resolved at the shareholders' meeting attended by shareholders representing more than two-thirds of the total number of issued shares, and approved by more than half of the voting rights of the attending shareholders. If the total number of shares of shareholders present is less than the above-mentioned quota, it may be carried out with the consent of shareholders representing more than half of the total number of issued shares present and more than two-thirds of the voting rights of shareholders present:</p> <ol style="list-style-type: none"> 1. The Company concludes, modifies or terminates the lease of the entire business, entrusts the operation, or frequently operates a contract with others, transfers all or a major part of the business or property, or transfers the entire business or property of others, which has a significant impact on the Company's operations 2. Changes to the Articles of Association 3. If the modification of the Articles of Association damages the rights of special shareholders, it must be resolved by the special shareholders' meeting 4. Distribution of all or part of dividends and bonuses by issuing new shares 5. Resolution on dissolution, merger or division 6. Transfer of shares 	<p>Since the Cayman Company Laws has mandatory regulations on the voting method of "merger as defined in the Cayman Law", Article 12.4 (d) of the Company's Articles of Association stipulates "merger" (a merger other than a merger under the Cayman laws) shall be passed with a major resolution.</p>

Protection of Shareholders' Equity	The Company's Articles of Association and Reason for Discrepancies
<ol style="list-style-type: none"> 1. The directors of the Company shall faithfully perform their duties and exercise the duty of care of a good administrator. If any violation causes compensation to the Company, they shall be liable for damages. If the act is done by oneself or another person, the shareholders' meeting may resolve to regard the income from the act as the Company's income. 2. If a director of a company violates laws and regulations in the execution of the Company's business and causes damage to others, he shall be jointly and severally liable for compensation to the other party and the Company. 	<p>Based on the requirements of important matters for the protection of shareholders' rights and interests, the Company has added relevant content to Articles 27.4 and 29.5 of the Company's Articles of Association. However, according to Cayman lawyers, the Cayman Company Laws provide no special provisions on the liability of directors. Under common law principles, directors of a company owe (a) fiduciary duties of fidelity, honesty and good faith to the Company; and (b) duties of care, diligence and professionalism. The Company may claim damages against directors who breach these duties. In addition, if a director breaches his duties in order to seek personal gain, the Company may claim such benefit from the director.</p> <p>The Cayman lawyers also stated that under the principles of common law, a director of a company represents the Company when performing the business of the Company, and the actions of the director will be regarded as the actions of the Company. If such actions cause damage to any third party, the Company (not the directors) is liable to that third party. A third party claiming damages cannot cite the provisions of the Company's Articles of Association to hold the director accountable since a third party who is not a shareholder cannot enforce the provisions of the Company's Articles of Association. When a company is liable to a third party due to a director's breach of duty, the Company may claim compensation from the director for the aforementioned losses. In addition, managers generally do not have nominee obligations to the Company. Even if there are relevant provisions in the Company's Articles of Association, since the manager is not a party to the Company's Articles of Association, such provisions will not be enforceable against the manager. Such obligations shall be imposed on the manager by contractual agreement.</p>