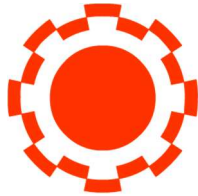


**Stock Code: 9802**



**Fulgent Sun International (Holding) Co., Ltd.**

# **Annual Report 2024**



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 16, 2025**

## **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, Ugland 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

Wisesquare Enterprise Limited TEL: (886)5-551-4619

Address: 15/F., BOC Group Life Assurance Tower, 136 Des Voeux Road Central, 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**

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, Di Su Ward, My Hao District, Hung Yen Province, Vietnam

NGOC HUNG Footwear Co., Ltd. TEL: (84)321-378-9188

Address: Luong Dien Industrial Cluster, Tongxi Village, Luong Dien Commune, Cam Giang District, Hai Duong Province, Vietnam

Eversun Footwear Co., Ltd. TEL: (84)226-396-7188

Address: Hamlet 2 An Noi, Binh An Commune, Binh Luc District, Ha Nam Province, Vietnam

Sunglory Footwear Co., Ltd. TEL: (84)226-396-7188

Address: Dong Phong Industrial Cluster, Dong Quan Commune, Dong Hung District, Thai Binh 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<br>President, Fulgent Sun International (Holding) Co., Ltd.<br>Chairman, Fulgent Sun International (Holding) Co., Ltd.<br>Chief Strategy Officer, Fulgent Sun Group   |
| Director             | Fang-Chu, Liao   | ROC         | Bachelor of International Trade, Chinese Culture University<br>Vice President of Sales, Fulgent Sun International (Holding) Co., Ltd.<br>President, Fulgent Sun Group<br>Chief Executive Officer, Fulgent Sun Group  |
| Director             | Chih-Cheng, Liao | ROC         | Doctoral Program in Industrial Management, National Yunlin University of Science and Technology (Currently Enrolled)<br>Master in Finance, National Yunlin University of Science and Technology<br>Assistant Manager of Sales, First Commercial Bank<br>Executive Vice President, Fulgent Sun Group<br>Spokesperson, Finance Supervisor and CGO, Fulgent Sun Group |
| Independent Director | Jin-Huang, Huang | ROC         | Ph.D. in Mechanical Engineering, Northwestern University<br>Chair of Department of Mechanical and Computer-Aided Engineering, Feng Chia University<br>Dean of College of Engineering and Science, Feng Chia University<br>Vice President, Director of Office of Industry-Academia Cooperation, Chair Professor, Feng Chia University                               |
| Independent Director | Chun-An, Li      | ROC         | Ph.D. in Business Administration, National Chengchi University<br>Dean of College of Finance and Banking, National Kaohsiung University of Science and Technology<br>Certified Public Accountant of Chun-An, Li Accounting Firm<br>Honorary Professor of Department of Finance, National Yunlin University of Science and Technology                               |

| Title                | Name            | Nationality | Education and Work Experience   |
|----------------------|-----------------|-------------|---|
| Independent Director | Chun-Ming, Wu   | ROC         | Bachelor of Accounting, Soochow University<br>Senior Vice President of Corporate Financing, Capital Securities Corp.<br>President, Zhanteng Venture Capital Consulting Co., Ltd.<br>President, Query Investment Co., Ltd.   |
| Independent Director | Shu-Ching, Chou | ROC         | PhD in Business Administration, National Sun Yat-Sen University<br>MBA Pennsylvania State University<br>Bachelor of Accounting, National Chengchi University<br>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<br>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 |

**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](mailto:service@fulgentsun.com)

Deputy Spokesperson: Chien-Chao, Hung  
Title: CFO  
TEL: (886)5-551-4619  
E-mail: [service@fulgentsun.com](mailto: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](mailto: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 2024 annual operating performance and future outlook as follows:

## **1. Operating results of previous year**

As the global economy was slowing down, rising inflation, and geopolitical uncertainty was emerging in 2024, Fulgent Sun Group had managed to rely on the long-lasting stable operating strategy and the foundation strength built over the years to demonstrate outstanding financial resilience and operating results. The operating revenue was NT\$14.61 billion in 2024. Also, driven by rigorous cost control and production optimization strategies, the Group's gross profit reached NT\$2.79 billion, with a gross margin of 19.08%, operating profit of NT\$1.27 billion, and an operating profit margin of 8.70% reflecting solid profitability. The net income before tax was NT\$1.74 billion, net income attributable to owners of the parent was NT\$1.38 billion, with an earnings per share (EPS) of NT\$7.23 (after tax), resulting in the appreciation of shareholders' equity and long-term investment value.

Fulgent Sun Group continues to optimize the production capacity allocation to adapt to market fluctuations and reduce geopolitical risks. In 2024, the Group's production capacity was distributed as follows: Vietnam accounted for 58.93%, Cambodia for 27.47%, and China for 13.60%. Such a production capacity deployment strategy helps ensure supply chain stability and production flexibility, and enables the Company to stay competitive in the global footwear market. In terms of sales region distribution, European market accounted for 44.28% and American market accounted for 39.08% (with the United States accounting for roughly 3/4), and the Greater Asia region at roughly 15.11%, indicating that the said two markets remain the main sales focus of the Company. The Group's multi-brand sales strategy continues to be effective and profitable. The Group has over 50 OEM customers currently, of which the top three brands account for about 50% of the sales, and the top ten brands account for more than 80% of the sales. The said strategy helps mitigate the impact of changes in sales of a single brand or region; also, it helps ensure stable business growth.

The Company actively promotes digital transformation and smart manufacturing to improve production efficiency and operational flexibility in order to secure stable production capacity and sales volume. The Company invested in R&D and innovation, increased product value, and optimized product design and manufacturing technology in 2024 to meet global market demand. In addition, in response to global environmental trends, the Company widely adopted sustainable materials, promoted energy conservation and carbon reduction plans, ensured complying with international market requirements for environment friendly products, and continued to enhance supply chain management in order to reduce the impact of raw material price fluctuations on corporate operations in 2024.

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

In prospect of 2025, the global economy still faces challenges such as the US presidential policy adjustments, monetary policy differences among central banks, rising trade protectionism, and geopolitical risks; however, as major economies enter a cycle of interest rate cuts, the market is expecting to welcome a certain degree of recovery. Fulgent Sun International (Holding) Co., Ltd. strives to ensure a competitive advantage and sustainable development by continuously expanding production capacity, enhancing smart production, exploring global markets, and deeply integrating ESG development strategies in-depth.

In terms of capacity expansion, the Company plans to optimize the deployment of production bases continuously, reinforce production capacity planning in Vietnam, Cambodia, and China, and further increase production scale after the newly constructed Yuteng plant in Vietnam and Chihua Plant in Indonesia starting production in order to ensure supply chain flexibility and stability. When expanding production capacity, the Company will continue to enhance the deployment of smart production, improve software and hardware equipment, accurately and actively increase investment in research and development, strive to promote the replacement and integration of various software and hardware production equipment, enhance information security protection and management mechanisms, and enhance the integration and optimization of production lines in each factory. The Company will continue to upgrade automation equipment, improve production efficiency and reduce manufacturing costs, and enhance the factory's digital management system in order to realize accurate scheduling and smart control. In addition, the Company will strengthen the partnership with suppliers, optimize production processes, enhance manufacturing flexibility, ensure supply chain stability, and minimize the impact of emergencies on production schedules.

Regarding market expansion, the Company will continue to serve the existing brands in-depth and will be more actively getting involved in the development of new brand customers. The sales strategy of the Company will be more flexible and agile to provide customers with prompt, high-quality services in compliance with international trends; also, the Company will strive to meet customer needs and grasp the latest market trends. It is the intention of the Company to enhance cooperation with international brands continuously, deepen the brand OEM model, and continue to develop high-end outdoor shoes, sports shoes, and functional footwear in order to fulfill market demand.

In terms of ESG and sustainable development, the Company will continue to promote carbon neutrality goals, expand the use of environmentally friendly materials, improve product sustainability, and ensure that the production process is in compliance with global environmental regulations. In addition, the Company will enhance water recycling technology to reduce the impact of production on the environment, and will actively participate in ESG-related international standard certification to enhance the corporate social responsibility image. In terms of corporate governance, the Company will continue to optimize the internal management structure, enhance corporate transparency, ensure that decision-making mechanisms meet international standards, and build up the confidence of investors.



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

The global manufacturing industry continues to encounter multiple external risks, and enterprises need to respond to changes flexibly. First of all, geopolitical risks continue to escalate, and tariff barriers and technological competition may affect the stability of the supply chain. The EU and North American markets have increasingly stringent requirements imposed for supply chain transparency and environmental protection compliance. The Company needs to ensure that production and products comply with relevant regulations in order to secure market competitiveness. In addition, tensions in some regions may affect global logistics and raw material supply. The Company will continue to observe the changes in the international environment with response strategies formulated to reduce potential risks.

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, the continuous improvement of management efficiency had help result in earnings per share (EPS) exceeding NT\$5 for nine consecutive years since 2016, and exceeding NT\$7 in 2023 and 2024, reflecting the Group's increasingly stable and resilient operating model.

The Company, as a listed company, understands the importance of pursuing growth in profits, but it is not the only mission of the Company. Therefore, Fulgent Sun Group has been committed to the implementation of corporate governance. While sales performance remains a top priority, sound corporate governance is equally essential. In prospect, the management team will continue to adhere to the core values of "sincerity, speed, quality, and innovation," uphold the spiritual essence of "morality, wisdom, diligence, and long-term cultivation," pursue "excellent leadership, high quality and efficiency," constantly improve the corporate governance system, enhance the internal control management mechanism in order to create long-term value and realize shareholders' equal rights and interests, and plan to share the Company's operating results with all shareholders and all employees, optimize corporate governance, pursue permanent excellence, and create a mutually beneficial, symbiotic, and win-win situation.

Once again, I would like to express my sincere gratitude to all shareholders for your support, advice, and warm encouragement over the years. Wishing you and your families continued peace, health, and happiness!

Sincerely,

Chairman Wen-Chih, Lin

## II. 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 30, 2025; 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/ 70       | 2022/ 5/27   | 3 Years | 2009/ 11/24        | 4,341                    | 2.33 | 5,018                 | 2.50 | 25,360 (Note 1)                    | 12.62 | 25,620 (Note 1)                   | 12.75 | Bachelor of Chemical Engineering, Feng Chia University<br>President, Fulgent Sun International (Holding) Co., Ltd.                    | CSO, Fulgent Sun Group<br>Chairman, Capital Concord Enterprises Limited<br>Chairman, Fujian Sunshine Footwear Co., Ltd.<br>Chairman, Sunny Footwear Co., Ltd.<br>Chairman, Hubei Sunsmile Footwear Co., Ltd.<br>Chairman, Fulgent Sun Footwear Co., Ltd.<br>Chairman, Fujian Laya Outdoor Products Co., Ltd.<br>Chairman, Lin Wen Chih Sunbow Enterprises Co., Ltd.<br>Chairman, Lin Wen Chih Sunstone Enterprises Co., Ltd.<br>Chairman, Lin Wen Chih Sunlit Enterprises Co., Ltd.<br>Chairman, NGOC HUNG Footwear Co., Ltd.<br>Chairman, Eversun Footwear Co., Ltd.<br>Chairman, PT. SUN BRIGHT LESTARI<br>Chairman, Laya Technology Co., Ltd.<br>Chairman, Lin Wen Chih Sunzeal Enterprises Co., Ltd.<br>Chairman, Sunglory Footwear Co., Ltd.<br>Chairman, Wisquare Enterprise Limited (Note 5) | President   | Fang-Chu, Liao                 | Spouse       | Note 3 |
| Director | ROC                                   | Fang-Chu, Liao | F/ 69       | 2022/ 5/27   | 3 Years | 2013/ 6/21         | 1,798                    | 0.97 | 2,327                 | 1.16 | 30,638 (Note 2)                    | 15.24 | 23,033 (Note 2)                   | 11.46 | Bachelor of International Trade, Chinese Culture University<br>Vice President of Sales, Fulgent Sun International (Holding) Co., Ltd. | President, Fulgent Sun Group<br>CEO, Fulgent Sun Group<br>Director, Capital Concord Enterprises Limited<br>Director, Fujian Sunshine Footwear Co., Ltd.<br>Director, Sunny Footwear Co., Ltd.<br>Director, Hubei Sunsmile Footwear Co., Ltd.<br>Director, Fulgent Sun Footwear Co., Ltd.<br>Director, Fujian Laya Outdoor Products Co., Ltd.<br>Director, Lin Wen Chih Sunbow Enterprises Co., Ltd.<br>Director, Lin Wen Chih Sunstone Enterprises Co., Ltd.<br>Director, NGOC HUNG Footwear Co., Ltd.<br>Director, Eversun Footwear Co., Ltd.<br>Director, PT. SUN BRIGHT LESTARI<br>Supervisor, Laya Technology Co., Ltd.<br>Director, Lin Wen Chih Sunzeal Enterprises Co., Ltd.<br>Director, Wisquare Enterprise Limited (Note 5)<br>Supervisor, Medao Trading Co., Ltd.                        | Chairman  | Wen-Chih, Lin                  | Spouse       | Note 3 |
|          |                                       |                |             |              |         |                    |                          |      |                       |      |                                    |       |                                   |       |   | Operation Vice President  | Hui-Yi, Lin (Note 4)  | Within first degree of kinship |              |        |

| Title                   | Nationality<br>or County<br>of<br>Registration | Name             | Gender<br>/Age | Date<br>Elected | Term       | Date<br>First<br>Elected | Shares Held<br>when Elected |      | Shares<br>Currently<br>Held |      | Currently Held by<br>Spouse and Minor |   | Shares Held in<br>the Name of<br>Others |   | Education and Work Experience   | Current Position in the Company and/or Other<br>Companies   | Executives, Directors or<br>Supervisors who Are Spouses<br>or within Second Degree of<br>Kinship |      |                  | Remark |
|-------------------------|--|------------------|----------------|-----------------|------------|--------------------------|-----------------------------|------|-----------------------------|------|---------------------------------------|---|---|---|---|---|--|------|------------------|--------|
|                         |  |                  |                |                 |            |                          | Number<br>of<br>Shares      | %    | Number<br>of<br>Shares      | %    | Number<br>of<br>Shares                | % | Number<br>of<br>Shares                  | % |   |   | Title  | Name | Relation<br>ship |        |
| Director                | ROC  | Chih-Cheng, Liao | M/ 53          | 2022/5/27       | 3<br>Years | 2016/6/15                | 326                         | 0.18 | 409                         | 0.20 | -                                     | - | -                                       | - | Doctoral Program in Industrial Management, National Yunlin University of Science and Technology (Currently Enrolled)<br>Master in Finance, National Yunlin University of Science and Technology<br>Assistant Manager of Sales, First Commercial Bank  | Spokesperson, Fulgent Sun Group<br>Executive Vice President, Fulgent Sun Group<br>Finance Supervisor, Fulgent Sun Group<br>CGO, Fulgent Sun Group<br>Director, Capital Concord Enterprises Limited<br>Director, Sunny Footwear Co., Ltd.<br>Director, Hubei Sunsmile Footwear Co., Ltd.<br>Director, Fulgent Sun Footwear Co., Ltd.<br>Director, Lin Wen Chih Sunbow Enterprises Co., Ltd.<br>Director, Lin Wen Chih Sunstone Enterprises Co., Ltd.<br>Director, NGOC HUNG Footwear Co., Ltd.<br>Director, Lin Wen Chih Sunzeal Enterprises Co., Ltd. | -  | -    | -                | -      |
| Independent<br>Director | ROC  | Jin-Huang, Huang | M/65           | 2022/5/27       | 3<br>years | 2019/6/12                | -                           | -    | -                           | -    | -                                     | - | -                                       | - | PhD in Mechanical Engineering, Northwestern University<br>Master in Mechanical Engineering, University of New Mexico<br>Bachelor of Mechanical Engineering, Feng Chia University<br>Chair of Department of Mechanical and Computer-Aided Engineering, Feng Chia University<br>Dean of College of Engineering and Science, Feng Chia University<br>Vice President, and Director of Office of Industry-Academia Cooperation, and Feng Chia University | Chair Professor, Feng Chia University<br>Director, Winson Machinery Casting Co., Ltd<br>Independent Director, China Fineblanking Technology Co., Ltd.<br>Independent Director, Best Precision Industrial Co., Ltd.<br>Independent Director, Alformer Industrial Co., Ltd.   | -  | -    | -                | -      |
| Independent<br>Director | ROC  | Chun-An, Li      | M/72           | 2022/5/27       | 3<br>years | 2019/6/12                | -                           | -    | -                           | -    | -                                     | - | -                                       | - | PhD in Business Administration, National Chengchi University<br>Master in Business Administration, National Taiwan University<br>Bachelor in Physics, Tsing Hua University<br>Dean of College of Finance and Banking, National Kaohsiung University of Science and Technology<br>Certified Public Accountant of Chun-An, Li Accounting Firm   | Honorary Professor of Department of Finance, National Yunlin University of Science and Technology   | -  | -    | -                | -      |

| 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                                   | Chun-Ming, Wu   | M/67        | 2022/5/27    | 3 years | 2019/6/12          | -                        | - | -                     | - | -                                  | - | -                                 | - | Bachelor of Accounting, Soochow University<br>Vice President, Underwriting Department, Hua Nan Securities Co., Ltd.<br>Senior Vice President of Corporate Financing, Capital Securities Corp.<br>President, Zhanteng Venture Capital Consulting Co., Ltd.  | Representative Director, E-Elements Technology Co., Ltd<br>Independent Director, Tecstar Technology Co., Ltd.<br>Independent Director, Lian Hong Art. Co., Ltd.<br>Representative Director, Lips Corporation<br>Director, Advanced 2D Materials Co., Ltd.<br>Representative Director, Marscat Games Co., Ltd.<br>President, Query Investment Co., Ltd. | -   | -    | -            | -      |
| Independent Director | ROC                                   | Hui-Ying, Wang  | F/71        | 2022/5/27    | 3 Years | 2022/5/27          | -                        | - | -                     | - | -                                  | - | -                                 | - | Supplementary Open Junior College for Business Administration, National Cheng Kung University<br>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.<br>Independent Director, Dong Fang Offshore Co., Ltd.   | -   | -    | -            | -      |
| Independent Director | ROC                                   | Shu-Ching, Chou | F/59        | 2022/5/27    | 3 Years | 2022/5/27          | -                        | - | -                     | - | -                                  | - | -                                 | - | PhD in Business Administration, National Sun Yat-Sen University<br>MBA Pennsylvania State University<br>Bachelor of Accounting, National Chengchi University<br>Director of Doctoral Program in Industrial Management, National Yunlin University of Science and Technology<br>Chair of Department of Finance, National Yunlin University of Science and Technology<br>Accounting and Financial Manager of Gdstek Co., Ltd.<br>Senior Associate, Audit Department, KPMG Taiwan | Professor, Department of Finance, National Yunlin University of Science and Technology   | -   | -    | -            | -      |

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. Additionally to strengthen the supervisory function of Board of Directors, the Company adds the seats for independent directors from the previous 3 seats to 5 seats, with the majority of directors not concurrently working as the employees or managers.

Note 4: Hui-Yi, Lin was promoted to group operation vice president on September 1, 2024.

Note 5: The cancellation was completed on March 14, 2025.

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 Supervisors and Information Disclosure of the Independence of Independent Directors:

| Criteria<br>Name | Professional Qualification and Experience<br>(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.  | -  | -  |
| Jin-Huang, Huang | 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. | 3  |

| Criteria<br>Name | Professional Qualification and Experience<br>(Note 1)  | Independence (Note 2)  | Taking a concurrent position as the independent director in other TWSE/TPEx Listed Companies |
|------------------|--|--|--|
| Chun-An, Li      | <p>Work experience as lecturer in the commerce, 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.</p> <p>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.</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> | -  |
| Chun-Ming, Wu    | <p>Work experience in commerce, finance, accounting, and operational judgement required capacity.</p> <p>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.</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> | 2  |

| Criteria<br>Name | Professional Qualification and Experience<br>(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  |
| Shu-Ching, Chou  | <p>Work experience as lecturer in the finance related departments of public and private universities and colleges.</p> <p>Worked as the Chair and Professor of the Department of Finance, 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: 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, Chun-An, Li, Chun-Ming, Wu, Hui-Ying, Wang, and Shu-Ching, Chou are good at finance and accounting with decision-making ability. Wen-Chih, Lin, Fang-Chu, Liao, Chih-Cheng, Liao, Jin-Huang, Huang, Chun-An, Li, and Chun-Ming, Wu are good at business management. Wen-Chih, Lin and Fang-Chu, Liao, and Chih-Cheng, Liao are good at industry knowledge. Jin-Huang, Huang are good at decision-making.
  - c. The ratio of directors as concurrent employees of the Company is 3/8 and the ratio of independent is 5/8. Female director ratio is 3/8, 2 independent directors have seniority of term under 3 years, 3 independent directors have seniority of term between 3~6 years, 2 directors aged under 65 years, 3 directors aged between 65~69 years, and 3 aged over 70 years.
  - d. Specific management goals: Fulgent Sun values the gender equality in the composition of Board of Directors members. The female director ratio is targeted as 33% or more and two female directors were added to the sixth Board of Directors, meeting a ratio of 38%.
  - 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.
- a. Specific Management Objectives: The Company values the independence and gender equality for the composition of Board of Directors members. The independence 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 account for 63% of total director seats.



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

As of March 30, 2025; Unit: Thousand Shares, %

| Title                                   | Nation<br>ality or<br>County<br>of<br>Registr<br>ation | Name                    | Gender | Date<br>Elected | Shares Held<br>when Elected |      | Shares<br>Currently Held |       | Currently Held<br>by Spouse and<br>Minor |       | Education and Work Experience   | Current Position in the Company and/or Other<br>Companies  | Executives, Directors or<br>Supervisors who Are Spouses<br>or within Second Degree of<br>Kinship |   |                  | Re<br>mar<br>k |
|---|--|-------------------------|--------|-----------------|-----------------------------|------|--------------------------|-------|--|-------|---|--|--|---|------------------|----------------|
|   |  |                         |        |                 | Number<br>of<br>Shares      | %    | Number<br>of Shares      | %     | Number<br>of<br>Shares                   | %     |   |  | Title  | Name                                    | Relationsh<br>ip |                |
| Group<br>President                      | ROC  | Fang-Chu,<br>Liao       | F      | 2010/<br>12/29  | 2,327                       | 1.16 | 30,638<br>(Note 1)       | 15.24 | 23,033<br>(Note 1)                       | 11.46 | Bachelor of International Trade,<br>Chinese Culture University<br>Vice President of Sales, Fulgent Sun<br>International (Holding) Co., Ltd.   | CEO, Fulgent Sun Group<br>Director, Capital Concord Enterprises Limited<br>Director, Fujian Sunshine Footwear Co., Ltd.<br>Director, Sunny Footwear Co., Ltd.<br>Director, Hubei Sunsmile Footwear Co., Ltd.<br>Director, Fulgent Sun Footwear Co., Ltd.<br>Director, Fujian Laya Outdoor Products Co., Ltd.<br>Director, Lin Wen Chih Sunbow Enterprises Co., Ltd.<br>Director, Lin Wen Chih Sunstone Enterprises Co., Ltd.<br>Director, NGOC HUNG Footwear Co., Ltd.<br>Director, Eversun Footwear Co., Ltd.<br>Director, PT. SUN BRIGHT LESTARI<br>Supervisor, Laya Technology Co., Ltd.<br>Director, Lin Wen Chih Sunzeal Enterprises Co., Ltd.<br>Director, Wisesquare Enterprise Limited (Note 5)<br>Supervisor, Medao Trading Co., Ltd. | Chairman   | Wen-<br>Chih,<br>Lin                    | Spouse           | Note<br>3      |
|   |  |                         |        |                 |                             |      |                          |       |  |       |   | Operation<br>Vice<br>President   | Hui-<br>Yi, Lin<br>(Note<br>4)   | Within<br>first<br>degree of<br>kinship |                  |                |
| Group<br>Executive<br>Vice<br>President | ROC  | Chih-<br>Cheng,<br>Liao | M      | 2011/<br>5/16   | 409                         | 0.20 | -                        | -     | -  | -     | Doctoral Program in Industrial<br>Management, National Yunlin<br>University of Science and Technology<br>(Currently Enrolled)<br>Master in Finance, National Yunlin<br>University of Science and Technology<br>Assistant Manager of Sales, First<br>Commercial Bank | Spokesperson, Fulgent Sun Group<br>Finance Supervisor, Fulgent Sun Group<br>CGO, Fulgent Sun Group<br>Director, Capital Concord Enterprises Limited<br>Director, Sunny Footwear Co., Ltd.<br>Director, Hubei Sunsmile Footwear Co., Ltd.<br>Director, Fulgent Sun Footwear Co., Ltd.<br>Director, Lin Wen Chih Sunbow Enterprises Co., Ltd.<br>Director, Lin Wen Chih Sunstone Enterprises Co., Ltd.<br>Director, NGOC HUNG Footwear Co., Ltd.<br>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<br>Vice President of Sales Development, Fulgent Sun International (Holding) Co., Ltd.     | Supervisor, Sunny Footwear Co., Ltd.<br>Supervisor, Hubei Sunsmile Footwear Co., Ltd.<br>Supervisor, Fujian Laya Outdoor Products Co., Ltd.  | -   | -               | -                              | -      |
| Group CFO                                 | ROC                                   | Chien-Chao, Hung | M      | 2021/9/1     | 37                       | 0.02 | -                     | -    | -                                  | -    | Bachelor of Accounting, Feng Chia University<br>Group Controller of Accounting Department, Fulgent Sun Group.   | None   | -   | -               | -                              | -      |
| Group Audit Manager                       | ROC                                   | Chia-Jung, Shen  | F      | 2020/8/6     | 22                       | 0.01 | -                     | -    | -                                  | -    | Bachelor of Accounting, Providence University<br>Auditor, Fulgent Sun International (Holding) Co., Ltd.   | None   | -   | -               | -                              | -      |
| Group Operation Vice President            | ROC                                   | Hui-Yi, Lin      | F      | 2024/9/1     | 1,038                    | 0.52 | 160                   | 0.08 | 2,979 (Note 2)                     | 1.48 | Virginia Commonwealth University Bachelor Degree Business Administration<br>Executive Associate of Operations Department, Fulgent Sun International (Holding) Co., Ltd. | Supervisor, Fujian Sunshine Footwear Co., Ltd.<br>Director, Hubei Sunsmile Footwear Co., Ltd.<br>Director, Fulgent Sun Footwear Co., Ltd.<br>Director, Fujian Laya Outdoor Products Co., Ltd.<br>Director, NGOC HUNG Footwear Co., Ltd.<br>Director, Eversun Footwear Co., Ltd.<br>Chairman, Medao Trading Co., Ltd. | Chairman  | Wen-Chih, Lin   | Within first degree of kinship | Note 4 |
|   |                                       |                  |        |              |                          |      |                       |      |                                    |      |   |  | President   | Fang-Chu, Liao, | Within first degree of kinship |        |
| Group Production Executive Vice President | RPC                                   | Xu-Ming, Huang   | M      | 2013/9/1     | -                        | -    | -                     | -    | -                                  | -    | Qingliu No.2 High School in Sanming City, Fujian Province<br>Production Vice President in China, Fulgent Sun International (Holding) 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 Development Vice President | RPC                                   | Hua-Jun, Peng | M      | 2023/7/1     | -                        | - | -                     | - | -                                  | - | Bachelor of International Trade, Hunan Agricultural University<br>Executive Associate, Fujian Sunshine Footwear Co., Ltd. | None   | -   | -    | -            | -      |

Note1: 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. Additionally, to strengthen the supervisory function of Board of Directors, the Company adds the seats for independent directors from the previous 3 seats to 5 seats, with the majority of directors not concurrently working as the employees or managers.

Note 4: Hui-Yi, Lin was promoted to group operation vice president on September 1, 2024.

Note 5: The cancellation was completed on March 14, 2025.

## 2. Remuneration for directors, supervisors, general manager and vice general manager in the most recent year

### (1) Remuneration of general directors and independent directors

Unit: NT\$ Thousand; %

| Title                   | Name                | Compensations to Directors |  |                               |  |   |  |                                    |  | Total Remuneration<br>(A+B+C+D) and as a<br>percentage of Net<br>Profit after Tax |  | Remunerations Paid to Concurrent Employees |  |                               |  |                             |                 |  |                 | Total remuneration<br>(A, B, C, D, E, F, and<br>G) and as a percentage<br>of Net Profit after Tax |  | Remuneration<br>Paid to<br>Directors from<br>an Invested<br>Company<br>Other than the<br>Company's<br>Subsidiary |   |   |   |      |  |  |  |
|-------------------------|---------------------|----------------------------|--|-------------------------------|--|---|--|------------------------------------|--|---|--|--|--|-------------------------------|--|-----------------------------|-----------------|--|-----------------|---|--|--|---|---|---|------|--|--|--|
|                         |                     | Base Remuneration<br>(A)   |  | Severance Pay (B)<br>(Note 1) |  | Directors'<br>Remuneration (C)<br>(Note2) |  | Business Execution<br>Expenses (D) |  |   |  | Salary, Bonus and<br>Allowances (E)        |  | Severance Pay (F)<br>(Note 1) |  | Employees' Remuneration (G) |                 |  |                 |   |  |  |   |   |   |      |  |  |  |
|                         |                     | The<br>Company             | All<br>Companies<br>Listed in<br>Financial<br>Statements | The<br>Company                | All<br>Companies<br>Listed in<br>Financial<br>Statements | The<br>Company                            | All<br>Companies<br>Listed in<br>Financial<br>Statements | The<br>Company                     | All<br>Companies<br>Listed in<br>Financial<br>Statements | The<br>Company  | All<br>Companies<br>Listed in<br>Financial<br>Statements | The<br>Company                             | All<br>Companies<br>Listed in<br>Financial<br>Statements | The<br>Company                | All<br>Companies<br>Listed in<br>Financial<br>Statements | The Company                 |                 | All Companies<br>Listed in Financial<br>Statements |                 | The<br>Company  | All<br>Companies<br>Listed in<br>Financial<br>Statements |  |   |   |   |      |  |  |  |
|                         |                     |                            |  |                               |  |   |  |                                    |  |   |  |  |  |                               |  | Cash<br>Amount              | Stock<br>Amount | Cash<br>Amount                                     | Stock<br>Amount |   |  |  |   |   |   |      |  |  |  |
| Director                | Wen-Chih,<br>Lin    | -                          | -  | -                             | -  | -   | 12,700   | -                                  | -  | -   | 20,168   | -  | 35,284   | -                             | 125  | -                           | -               | 10,500   | -               | -   | 66,077   | None   |   |   |   |      |  |  |  |
|                         | Fang-Chu,<br>Liao   |                            |  |                               |  |   |  |                                    |  |   |  |  |  |                               |  |                             |                 |  |                 |   |  |  |   |   |   |      |  |  |  |
|                         | Chih-Cheng,<br>Liao |                            |  |                               |  |   |  |                                    |  |   |  |  |  |                               |  |                             |                 |  |                 |   |  |  |   |   |   |      |  |  |  |
| Independent<br>Director | Jin-Huang,<br>Huang | -                          | -  | -                             | -  | -   | 7,300  | -                                  | 168  |   |  | 1.47                                       | -  | -                             | -  | -                           | -               | -  | -               |   |  |  | - | - | - | None |  |  |  |
|                         | Chun-An, Li         |                            |  |                               |  |   |  |                                    |  |   |  |  |  |                               |  |                             |                 |  |                 |   |  |  |   |   |   |      |  |  |  |
|                         | Chun-Ming,<br>Wu    |                            |  |                               |  |   |  |                                    |  |   |  |  |  |                               |  |                             |                 |  |                 |   |  |  |   |   |   |      |  |  |  |
|                         | Hui-Ying,<br>Wang   |                            |  |                               |  |   |  |                                    |  |   |  |  |  |                               |  |                             |                 |  |                 |   |  |  |   |   |   |      |  |  |  |
|                         | Shu-Ching,<br>Chou  |                            |  |                               |  |   |  |                                    |  |   |  |  |  |                               |  |                             |                 |  |                 |   |  |  |   |   |   |      |  |  |  |

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                                      | The Company                              | All Companies Listed in Financial Statements                                      |
| Less than NT\$1,000,000                             | -                                  | -   | -  | -   |
| NT\$1,000,000 ~ NT\$2,000,000 (excluded)            | -                                  | Jin-Huang, Huang, Chun-An, Li, Chun-Ming, Wu, Hui-Ying, Wang, and Shu-Ching, Chou | -  | Jin-Huang, Huang, Chun-An, Li, Chun-Ming, Wu, Hui-Ying, Wang, and Shu-Ching, Chou |
| NT\$2,000,000 ~ NT\$3,500,000 (excluded)            | -                                  | Chih-Cheng, Liao  | -  | -   |
| NT\$3,500,000 ~ NT\$5,000,000 (excluded)            | -                                  | Fang-Chu, Liao  | -  | -   |
| NT\$5,000,000~ NT\$10,000,000 (excluded)            | -                                  | Wen-Chih, Lin   | -  | Chih-Cheng, Liao  |
| NT\$10,000,000~ NT\$15,000,000 (excluded)           | -                                  | -   | -  | -   |
| NT\$15,000,000~ NT\$30,000,000 (excluded)           | -                                  | -   | -  | Wen-Chih, Lin and Fang-Chu, Liao  |
| NT\$30,000,000~ NT\$50,000,000 (excluded)           | -                                  | -   | -  | -   |
| NT\$50,000,000~ NT\$100,000,000 (excluded)          | -                                  | -   | -  | -   |
| More than NT\$100,000,000                           | -                                  | -   | -  | -   |
| Total   | -                                  | 8   | -  | 8   |

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 distributed by the Company's board meeting on February 25, 2025.

Note 3: 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)<br>(Note 1) |  | Bonuses and Allowances (C) |  | Employees' Remuneration (D)<br>(Note 2) |              |  |              | Total Remuneration (A+B+C+D) and<br>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    | -           | 38,593                                       | -                             | 467  | -                          | 22,889                                       | -                                       | -            | 15,050                                       | -            | -   | 76,999<br>5.59                               | None   |
| Group President                           | Fang-Chu, Liao   |             |  |                               |  |                            |  |   |              |  |              |   |  |  |
| Group Executive Vice President            | Chih-Cheng, Liao |             |  |                               |  |                            |  |   |              |  |              |   |  |  |
| Group Executive Vice President            | Ming-Hsien, Chen |             |  |                               |  |                            |  |   |              |  |              |   |  |  |
| Group Production Executive Vice President | Xu-Ming, Huang   |             |  |                               |  |                            |  |   |              |  |              |   |  |  |
| Group Operation Vice President (Note 3)   | Hui-Yi, Lin      |             |  |                               |  |                            |  |   |              |  |              |   |  |  |
| Group Development Vice President          | Hua-Jun, Peng    |             |  |                               |  |                            |  |   |              |  |              |   |  |  |
| Group CFO                                 | Chien-Chao, Hung |             |  |                               |  |                            |  |   |              |  |              |   |  |  |

### 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)                 | -                                    | Wen-Chih, Lin, and Fang-Chu, Liao            |
| NT\$30,000,00 (included) – NT\$50,000,000(Excluded)                 | -                                    | -  |
| 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 directors' 2024 remuneration has been approved by the Board of Directors on February 25, 2025.

Note 3: Hui-Yi, Lin was promoted to group operation vice president on September 1, 2024.

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      | -            | 15,050      | 15,050 | 1.09                                    |
|         | Group President      | Fang-Chu, Liao     |              |             |        |   |
|         | Group Vice President | Chih-Cheng, Liao   |              |             |        |   |
|         | Group Vice President | Ming-Hsien, Chen   |              |             |        |   |
|         | Group Vice President | Xu-Ming, Huang     |              |             |        |   |
|         | Group Vice President | Hui-Yi, Lin (Note) |              |             |        |   |
|         | Group CFO            | Chien-Chao, Hung   |              |             |        |   |

Note 1: Hui-Yi, Lin was promoted to group operation vice president on September 1, 2024.

- (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                         | 2023               |  |                         |  | 2024               |  |                         |  |
|-------------------------------|--------------------|--|-------------------------|--|--------------------|--|-------------------------|--|
|                               | 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                     | -                  | 56,161                                       | -                       | 3.75   | -                  | 66,077                                       | -                       | 4.80   |
| President and Vice presidents | -                  | 57,601                                       | -                       | 3.85   | -                  | 76,999                                       | -                       | 5.59   |

- 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 (accounted for 15% of the performance evaluation). The Company is committed to implementing and promoting sustainable development goals, including the following projects: green product innovation, sustainable and responsible procurement, low-carbon manufacturing transformation, occupational safety and health, and other sustainability-related issues, as well as referring to the industry standards.

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 2024. 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   | 6                         | 0                                  | 100                            | -      |
| Director             | Chih-Cheng, Liao | 6                         | 0                                  | 100                            | -      |
| Independent Director | Jin-Huang, Huang | 6                         | 0                                  | 100                            | -      |
| Independent Director | Chun-An, Li      | 6                         | 0                                  | 100                            | -      |
| Independent Director | Chun-Ming, Wu    | 5                         | 0                                  | 83                             | -      |
| Independent Director | Shu-Ching, Chou  | 5                         | 0                                  | 83                             | -      |
| Independent Director | Hui-Ying, Wang   | 6                         | 0                                  | 100                            | -      |

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  |
|--|--|--|--|
| Wen-Chih, Lin,<br>Fang-Chu, Liao and<br>Chih-Cheng, Liao | The Company's issuance of new shares for employee stock subscription in 2024 from managerial officers' cash capital increase | involved the interests of directors      | The Chairman designated an independent director, Jin-Huang Huang, to preside over this resolution, and the acting chairman consulted with the other directors present and passed the resolution unanimously. |
| 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 2024, refer to the Company website and the section, II. 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;<br>1. The degree of engagement in the Company's operations<br>2. Improve the quality of decision-making of the Board of Directors<br>3. Composition and structure of the Board of Directors<br>4. Election and continuing education of directors<br>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;<br>1. Maturity of the Company's goals and tasks<br>2. Understanding of responsibilities of directors<br>3. The degree of engagement in the Company's operations<br>4. Internal relationship management and communication<br>5. Election and continuing education of directors<br>6. Internal control |

| 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. | 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;<br>1. The degree of engagement in the Company's operations<br>2. Understanding of responsibilities of functional committees<br>3. Improvement of the decision-making quality of functional committees<br>4. Composition of functional committees and selection of members<br>5. Internal control   |
| 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's meetings: The Company has established the rules of procedures for Board's meetings. Board's 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 arranges lecturers to teach and interact with directors on-site every year. For the implementation of directors' advanced studies this year, please refer to the section, II. 3. (3) Implementation of Corporate Governance, Discrepancies in Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and Reasons for the 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 road shows from time to time.
- (4) Directors' liability insurance: To protect directors and managerial 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 met 5 times in 2024 and independent director attends as follows:

| Title                | Name             | Time of Actual Attendance | Time of Actual Attendance by Proxy | Rate of Actual Attendance (%) | Remark |
|----------------------|------------------|---------------------------|------------------------------------|-------------------------------|--------|
| Independent Director | Chun-An, Li      | 5                         | 0                                  | 100                           | -      |
| Independent Director | Chun-Ming, Wu    | 5                         | 0                                  | 100                           | -      |
| Independent Director | Jin-Huang, Huang | 5                         | 0                                  | 100                           | -      |
| Independent Director | Shu-Ching, Chou  | 4                         | 0                                  | 80                            | -      |
| Independent Director | Hui-Ying, Wang   | 5                         | 0                                  | 100                           | -      |

Other matters to be recorded:

1. Should any of the following take place in a meeting of the Audit Committee, the date and session of the meeting, the proposal, 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, 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 refuses himself/herself from proposals involving the conflict of interest, the independent director's name, the proposal, cause for the conflict of interest, and the voting shall be specified: The Company did not have a director who refused 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.

(B) Implementation of the Audit Committee from 2024 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 |
|--|---|---|---|
| 2024.02.26<br>5th Session 9th<br>Time  | Case: The Company's 2023 statement of internal control system.  | V   | -   |
|  | Case: The Company's 2023 consolidated financial statements.   | V   | -   |
|  | Case: The Company's 2023 business report.   | V   | -   |
|  | Case: The Company's 2023 earnings distribution.   | V   | -   |
|  | Case: The Company's 2024 CPAs independence assessment and competency assessment.  | V   | -   |
|  | Results of Audit Committee resolution (February 26, 2024): All members of the Committee agreed to adopt the proposal.<br>The Company's treatment of the Audit Committee's opinions: All directors present agreed. |   |   |
| 2024.05.09<br>5th Session 10th<br>Time | Case: The Company's consolidated financial statements for the first quarter of 2024.  | -   | -   |
|  | Results of Audit Committee resolution (May 9, 2024): All members of the Committee agreed to adopt the proposal.<br>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 |
|-------------------------------------|---|---|---|
| 2024.08.19<br>5th Session 11th Time | Case: The Company's consolidated financial statements for the second quarter of 2024.   | V   | -   |
|                                     | Case: Amendments of partial clauses to the Company's "Articles of Association".   | V   | -   |
|                                     | Case: The Company intends to process the 2024 cash capital increase with new shares issued and to collect and issue the 6th unsecured convertible corporate bond in the Republic of China.                        | V   | -   |
|                                     | Case: Amendments to the "Authorization Chart".  | -   | -   |
|                                     | Results of Audit Committee resolution (August 19, 2024): All members of the Committee agreed to adopt the proposal.<br>The Company's treatment of the Audit Committee's opinions: All directors present agreed.   |   |   |
| 2024.11.07<br>5th Session 12th Time | Case: The Company's consolidated financial statements for the third quarter of 2024.  | -   | -   |
|                                     | Results of Audit Committee resolution (November 7, 2024): All members of the Committee agreed to adopt the proposal.<br>The Company's treatment of the Audit Committee's opinions: All directors present agreed.  |   |   |
| 2024.12.26<br>5th Session 13th Time | Case: The Company's audit plan for 2025.  | V   | -   |
|                                     | Case: The Company's business report and distribution of earnings for the first half of 2024.  | V   | -   |
|                                     | Case: The Company intends to increase investment in its subsidiary, Capital Concord Enterprises Limited.  | V   | -   |
|                                     | Case: Draft up the Company's "Sustainable Information Management Operating Procedures".   | V   | -   |
|                                     | Case: Amendments to the "Authorization Chart".  | -   | -   |
|                                     | Results of Audit Committee resolution (December 26, 2024): All members of the Committee agreed to adopt the proposal.<br>The Company's treatment of the Audit Committee's opinions: All directors present agreed. |   |   |
| 2025.02.25<br>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: The Company intends to purchase the stock shares of "Medao Trading Co., Ltd." from its related parties.   | V   | -   |
|                                     | Results of Audit Committee resolution (February 25, 2025): All members of the Committee agreed to adopt the proposal.<br>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<br>(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.<br>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 Company set up eight directors for the 6th Board of Directors. Three of the Board members are female. Apart from the female members, Wen-Chih, Lin, Fang-Chu, Liao, Chih-Cheng, Liao, Chun-An, Li, Chun-Ming, Wu, Hui-Ying, Wang, and Shu-Ching, Chou are good at finance and accounting with decision-making ability. Wen-Chih, Lin, Fang-Chu, Liao, Chih-Cheng, Liao, Jin-Huang, Huang, Chun-An, Li, and Chun-Ming, Wu are good at business management. Wen-Chih, Lin and Fang-Chu, Liao, and Chih-Cheng, Liao are good at industry knowledge. Jin-Huang, Huang 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 is 5/8. Female director ratio is 3/8, 2 independent directors have seniority of term under 3 years, 3 independent directors have seniority of term between 3~6 years, 2 directors aged under 65 years, 3 directors aged between 65~69 years, and 3 aged over 70 years.</p> <p>D. Specific management goals: Fulgent Sun values the independence of the Board members and gender equality, with the target ratio of independent directors setting at 50% or more. Two independent directors were added to the 5th session of the Board of Directors. At present, independent directors account for 63% of the total number of Directors and two female directors were added to the 6th Board of Directors, meeting a ratio of 38%.</p> |   |

| Evaluation Item  | Implementation Status |    |   |                   |        | Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|--|-----------------------|----|---|-------------------|--------|---|--|-----------------|---------------------|---------------|---|---------------------|---------|------------|-----------|------------|----------------------|-------------------------|--------------------|--|-----|--|--|---|--|---------|------------|-------|------------|----------------------|-------------------------|--------------------|-----------------|--------------------|-----------------|-------------------|---------------|-----------|---------------|-----|---|---|--|--|---|--|--|--|--|---|---|---|---|---|---|---|----------------|-----|---|---|--|---|--|--|--|--|--|--|---|---|---|---|---|---|------------------|-----|---|---|---|--|--|--|--|---|--|--|---|---|---|---|---|---|------------------|-----|---|--|--|---|--|--|---|--|--|--|---|--|---|--|--|---|-------------|-----|---|--|--|--|---|--|---|--|--|--|---|---|---|--|--|---|---------------|-----|---|--|--|---|--|--|---|---|---|--|--|---|---|--|--|---|----------------|-----|---|--|--|--|---|---|--|---|--|---|---|---|--|--|--|---|-----------------|-----|---|--|---|--|--|---|--|--|--|--|--|---|--|--|--|---|
|  | Yes                   | No | Summary   |                   |        |   |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
| (2) Does the Company voluntarily establish other functional committees in addition to the Salary and Remuneration Committee and the Audit Committee?   | ✓                     |    | E. The 6th session of the Board of Directors sets out the diversification policy for the composition of its members and exposes it on the Company website.  |                   |        |   |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|  |                       |    | F. Implementation of diversification in the Sixth Board’s members:  |                   |        |   |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|  |                       |    | <table><tr><th rowspan="3">Diversification Criteria<br/><br/>Director</th><th colspan="5">Basic Composition</th><th colspan="3">Industry Experience</th><th colspan="3">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 &amp; 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><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></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>V</td><td></td><td></td><td></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></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></td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td></tr><tr><td>Jin-Huang, Huang</td><td>ROC</td><td>M</td><td></td><td></td><td>V</td><td></td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td>V</td></tr><tr><td>Chun-An, Li</td><td>ROC</td><td>M</td><td></td><td></td><td></td><td>V</td><td></td><td>V</td><td></td><td></td><td></td><td>V</td><td>V</td><td>V</td><td></td><td></td><td>V</td></tr><tr><td>Chun-Ming, Wu</td><td>ROC</td><td>M</td><td></td><td></td><td>V</td><td></td><td></td><td>V</td><td>V</td><td>V</td><td></td><td></td><td>V</td><td>V</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>V</td><td></td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td></td><td></td><td></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>V</td><td></td><td></td><td></td><td></td><td></td><td>V</td><td></td><td></td><td></td><td>V</td></tr></table> |                   |        | Diversification Criteria<br><br>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 | Chih-Cheng, Liao | ROC | M | V | V |  |  |  |  | V |  |  | V | V | V | V | V | V | Jin-Huang, Huang | ROC | M |  |  | V |  |  | V |  |  |  | V |  | V |  |  | V | Chun-An, Li | ROC | M |  |  |  | V |  | V |  |  |  | V | V | V |  |  | V | Chun-Ming, Wu | ROC | M |  |  | V |  |  | V | V | V |  |  | V | V |  |  | V | Hui-Ying, Wang | ROC | F |  |  |  | V | V |  | V |  | V | V | V |  |  |  | V | Shu-Ching, Chou | ROC | F |  | V |  |  | V |  |  |  |  |  | V |  |  |  | V |
|  |                       |    | Diversification Criteria<br><br>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  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|  |                       |    | Chih-Cheng, Liao  | ROC               | M      | V   | V  |                 |                     |               |   | V                   |         |            | V         | V          | V                    | V                       | V                  | V  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|  |                       |    | Jin-Huang, Huang  | ROC               | M      |   |  | V               |                     |               | V   |                     |         |            | V         |            | V                    |                         |                    | V  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
| Chun-An, Li  | ROC                   | M  |   |                   |        | V   |  | V               |                     |               |   | V                   | V       | V          |           |            | V                    |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
| Chun-Ming, Wu  | ROC                   | M  |   |                   | V      |   |  | V               | V                   | V             |   |                     | V       | V          |           |            | V                    |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
| Hui-Ying, Wang   | ROC                   | F  |   |                   |        | V   | V  |                 | V                   |               | V   | V                   | V       |            |           |            | V                    |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
| Shu-Ching, Chou  | ROC                   | F  |   | V                 |        |   | V  |                 |                     |               |   |                     | V       |            |           |            | V                    |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
| (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 one meeting in 2024. The attendance of independent director is as follow: |                       |    |   |                   |        |   |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|  |                       |    |   |                   |        |   |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|  |                       |    |   |                   |        |   |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|  |                       |    |   |                   |        |   |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|  |                       |    |   |                   |        |   |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|  |                       |    |   |                   |        |   |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|  |                       |    |   |                   |        |   |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |
|  |                       |    |   |                   |        |   |  |                 |                     |               |   |                     |         |            |           |            |                      |                         |                    |  |     |  |  |   |  |         |            |       |            |                      |                         |                    |                 |                    |                 |                   |               |           |               |     |   |   |  |  |   |  |  |  |  |   |   |   |   |   |   |   |                |     |   |   |  |   |  |  |  |  |  |  |   |   |   |   |   |   |                  |     |   |   |   |  |  |  |  |   |  |  |   |   |   |   |   |   |                  |     |   |  |  |   |  |  |   |  |  |  |   |  |   |  |  |   |             |     |   |  |  |  |   |  |   |  |  |  |   |   |   |  |  |   |               |     |   |  |  |   |  |  |   |   |   |  |  |   |   |  |  |   |                |     |   |  |  |  |   |   |  |   |  |   |   |   |  |  |  |   |                 |     |   |  |   |  |  |   |  |  |  |  |  |   |  |  |  |   |

|                      |
|----------------------|
| 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? | ✓                     |    |  | Title                | Name             | Time of Actual Attendance   | Time of Actual Attendance by Proxy | Ratio of Actual Attendance (%) | No major discrepancy |
|  |                       |    |  | Director             | Wen-Chih, Lin    | 1   | 0                                  | 100                            |                      |
|  |                       |    |  | Director             | Fang-Chu, Liao   | 1   | 0                                  | 100                            |                      |
|  |                       |    |  | Director             | Chih-Cheng, Liao | 1   | 0                                  | 100                            |                      |
|  |                       |    |  | Independent Director | Jin-Huang, Huang | 1   | 0                                  | 100                            |                      |
|  |                       |    |  | Independent Director | Chun-An, Li      | 1   | 0                                  | 100                            |                      |
|  |                       |    |  | Independent Director | Chun-Ming, Wu    | 1   | 0                                  | 100                            |                      |
|  |                       |    |  | Independent Director | Hui-Ying, Wang   | 1   | 0                                  | 100                            |                      |
|  |                       |    |  | Independent Director | Shu-Ching, Chou  | 1   | 0                                  | 100                            |                      |
|  |                       |    | (3) The Board of Directors adopted the formulation of the “Guidelines for the Evaluation of the Board of Directors” on May 2, 2019. Directors shall conduct individual self-evaluation and functional committee adopting the overall self-evaluation or evaluation by others. At least one Board of Directors evaluation will be conducted and the period of internal evaluation for the Board of Directors is between December of previous year and November of current year. The outcome of the internal performance evaluation for the Board of Directors shall be completed prior to the last Board of Director meeting convened for the current year. |                      |                  |   |                                    |                                |                      |
| The outcome of the latest Board of Directors performance evaluation is as follows:   |                       |    |  |                      |                  |   |                                    |                                |                      |
| The evaluation of the Board of Directors and functional committees   |                       |    |  |                      |                  |   |                                    |                                |                      |

| 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 regularly evaluate the independence of CPAs? | ✓                     |    | <p>was completed on December 26, 2024. There is no nonconformity found for improvement in the internal evaluation performed. 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 |  |
|-----------------|-----------------------|----|---------|--|-------------------|---|--|
|                 | Yes                   | No | Summary |  |                   |   |  |
|                 |                       |    |         | Evaluation Criteria  | Evaluation Result | Independence  |  |
|                 |                       |    |         | 1. Does the CPA have direct or significant indirect financial interests with the Company?  | No                | V   |  |
|                 |                       |    |         | 2. Does the CPA engage in financing activities with the Company or its directors?  | No                | V   |  |
|                 |                       |    |         | 3. Does the CPA have a close business relationship and a potential employment relation with the Company?   | No                | V   |  |
|                 |                       |    |         | 4. Are the CPA and members of the audit team holding positions in the Company as directors or managerial officers or those having significant influence on the audit currently or over the last two years? | No                | V   |  |
|                 |                       |    |         | 5. Does the CPA provide the Company non-audit items that may directly affect the audit?  | No                | V   |  |
|                 |                       |    |         | 6. Does the CPA act as agent for stocks or other securities issued by the Company?   | No                | V   |  |
|                 |                       |    |         | 7. Does the CPA act as the defender of the Company or on behalf of the Company to coordinate conflicts with other third parties?   | No                | V   |  |
|                 |                       |    |         | 8. Is the CPA a family member or relative of the Company's director, managerial officer or another position that has significant influence on the audit?   | No                | V   |  |
|                 |                       |    |         | 9. Does the accountant meet the Audit Quality Indicators (AQIs)?   | Yes               | V   |  |

| 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 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's meetings and shareholders' meetings according to laws, handle corporate registration and amendment registration, produce minutes of the Board's 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's meetings and shareholders' meetings in accordance with the law, produce directorate and shareholders' meetings, assist directors and supervisors in continuing education, provide data for directors and supervisors to perform business assist directors and supervisors 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>(1) 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>(2) 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 |
|-----------------|-----------------------|----|---|---|
|                 | Yes                   | No | Summary   |   |
|                 |                       |    | <p>(3) 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>(4) 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>(1) 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>(2) 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>(3) 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> |   |



| Evaluation Item | Implementation Status                   |  |  | Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons |           |             |       |             |           |                              |  |     |      |           |   |   |     |          |                                  |  |     |            |   |  |     |  |
|-----------------|---|--|--|---|-----------|-------------|-------|-------------|-----------|------------------------------|--|-----|------|-----------|---|---|-----|----------|----------------------------------|--|-----|------------|---|--|-----|--|
|                 | Yes                                     | No   | Summary  |   |           |             |       |             |           |                              |  |     |      |           |   |   |     |          |                                  |  |     |            |   |  |     |  |
|                 |   |  | <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 2024 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>2024/3/28</td><td>Taipei Foundation of Finance</td><td>Corporate Governance - facing stakeholders - How can listed companies narrow the gap with the capital market</td><td>3.0</td><td rowspan="4">12.0</td></tr> <tr> <td>2024/5/27</td><td>Taiwan Corporate Governance Association</td><td>Information Security Governance Trends and Challenges</td><td>3.0</td></tr> <tr> <td>2024/9/6</td><td>Securities and Futures Institute</td><td>2024 Insider Trading Prevention Conference</td><td>3.0</td></tr> <tr> <td>2024/12/26</td><td>Taiwan Corporate Governance Association</td><td>Incorporate sustainable information into internal control audits</td><td>3.0</td></tr> </tbody> </table> | Time  | Organizer | Course Name | Hours | Total Hours | 2024/3/28 | Taipei Foundation of Finance | Corporate Governance - facing stakeholders - How can listed companies narrow the gap with the capital market | 3.0 | 12.0 | 2024/5/27 | Taiwan Corporate Governance Association | Information Security Governance Trends and Challenges | 3.0 | 2024/9/6 | Securities and Futures Institute | 2024 Insider Trading Prevention Conference | 3.0 | 2024/12/26 | Taiwan Corporate Governance Association | Incorporate sustainable information into internal control audits | 3.0 |  |
| Time            | Organizer                               | Course Name  | Hours  | Total Hours   |           |             |       |             |           |                              |  |     |      |           |   |   |     |          |                                  |  |     |            |   |  |     |  |
| 2024/3/28       | Taipei Foundation of Finance            | Corporate Governance - facing stakeholders - How can listed companies narrow the gap with the capital market | 3.0  | 12.0  |           |             |       |             |           |                              |  |     |      |           |   |   |     |          |                                  |  |     |            |   |  |     |  |
| 2024/5/27       | Taiwan Corporate Governance Association | Information Security Governance Trends and Challenges  | 3.0  |   |           |             |       |             |           |                              |  |     |      |           |   |   |     |          |                                  |  |     |            |   |  |     |  |
| 2024/9/6        | Securities and Futures Institute        | 2024 Insider Trading Prevention Conference   | 3.0  |   |           |             |       |             |           |                              |  |     |      |           |   |   |     |          |                                  |  |     |            |   |  |     |  |
| 2024/12/26      | Taiwan Corporate Governance Association | Incorporate sustainable information into internal control audits   | 3.0  |   |           |             |       |             |           |                              |  |     |      |           |   |   |     |          |                                  |  |     |            |   |  |     |  |

| Evaluation Item  | Implementation Status |    |  | Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Summary  |   |
| 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<br>(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 |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Summary   |   |
| (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: <a href="https://mops.twse.com.tw/">https://mops.twse.com.tw/</a> ) 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.<br>(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 discrepancies  |

| 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' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)? |                       |    | <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) Stakeholders' rights: The Company offers the latest information and communicates through a variety of channels to maintain the legal rights and interests of both the Company and 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's 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 2024, as of the printing date of the Annual Report, is described below:</p> |   |

| Evaluation Item | Implementation Status |    |         |                      |                   |            |   |  |   | Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons |  |
|-----------------|-----------------------|----|---------|----------------------|-------------------|------------|---|--|---|---|--|
|                 | Yes                   | No | Summary |                      |                   |            |   |  |   |   |  |
|                 |                       |    |         | Title                | Name              | Date       | Organizer                               | Course   |   | Hours   |  |
|                 |                       |    |         | Chairman             | Wen-Chih, Lin     | 2024/5/27  | Taiwan Corporate Governance Association | Information Security Governance Trends and Challenges            | 3 |   |  |
|                 |                       |    |         |                      |                   | 2024/12/26 | Taiwan Corporate Governance Association | Incorporate sustainable information into internal control audits | 3 |   |  |
|                 |                       |    |         | Director             | Fang-Chu, Liao    | 2024/5/27  | Taiwan Corporate Governance Association | Information Security Governance Trends and Challenges            | 3 |   |  |
|                 |                       |    |         |                      |                   | 2024/12/26 | Taiwan Corporate Governance Association | Incorporate sustainable information into internal control audits | 3 |   |  |
|                 |                       |    |         | Director             | Chih-Cheng, Liao  | 2024/5/27  | Taiwan Corporate Governance Association | Information Security Governance Trends and Challenges            | 3 |   |  |
|                 |                       |    |         |                      |                   | 2024/12/26 | Taiwan Corporate Governance Association | Incorporate sustainable information into internal control audits | 3 |   |  |
|                 |                       |    |         | Independent Director | Jing-Huang, Huang | 2024/5/27  | Taiwan Corporate Governance Association | Information Security Governance Trends and Challenges            | 3 |   |  |
|                 |                       |    |         |                      |                   | 2024/12/26 | Taiwan Corporate Governance Association | Incorporate sustainable information into internal control audits | 3 |   |  |

| Evaluation Item | Implementation Status |    |         |                      |                |            |   |  |       | Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons |
|-----------------|-----------------------|----|---------|----------------------|----------------|------------|---|--|-------|---|
|                 | Yes                   | No | Summary |                      |                |            |   |  |       |   |
|                 |                       |    |         | Title                | Name           | Date       | Organizer   | Course   | Hours |   |
|                 |                       |    |         | Independent Director | Chun-An, Li    | 2024/5/27  | Taiwan Corporate Governance Association                     | Information Security Governance Trends and Challenges                                | 3     |   |
|                 |                       |    |         |                      |                | 2024/12/26 | Taiwan Corporate Governance Association                     | Incorporate sustainable information into internal control audits                     | 3     |   |
|                 |                       |    |         | Independent Director | Chun-Ming, Wu  | 2024/8/28  | Corporate Operating and Sustainable Development Association | Due diligence and financial evaluation for M&A transactions                          | 3     |   |
|                 |                       |    |         |                      |                | 2024/9/12  | Taipei Exchange   | OTC Emerging Market Company Insider Equity Promotion Seminar - Taipei Second Session | 3     |   |
|                 |                       |    |         |                      |                | 2024/12/12 | Securities and Futures Institute                            | Carbon right trading mechanism and carbon management application                     | 3     |   |
|                 |                       |    |         |                      |                | 2024/12/12 | Securities and Futures Institute                            | Audit Committee Operation Practice   | 3     |   |
|                 |                       |    |         |                      |                | 2024/12/26 | Taiwan Corporate Governance Association                     | Incorporate sustainable information into internal control audits                     | 3     |   |
|                 |                       |    |         | Independent Director | Shu-Ching Chou | 2024/5/27  | Taiwan Corporate Governance Association                     | Information Security Governance Trends and Challenges                                | 3     |   |
|                 |                       |    |         |                      |                | 2024/12/26 | Taiwan Corporate Governance Association                     | Incorporate sustainable information into internal control audits                     | 3     |   |

| Evaluation Item      | Implementation Status |            |   |  |       |      |           | Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons |       |                      |                |           |   |   |   |            |   |  |   |  |  |  |  |  |
|----------------------|-----------------------|------------|---|--|-------|------|-----------|---|-------|----------------------|----------------|-----------|---|---|---|------------|---|--|---|--|--|--|--|--|
|                      | Yes                   | No         | Summary   |  |       |      |           |   |       |                      |                |           |   |   |   |            |   |  |   |  |  |  |  |  |
|                      |                       |            | <table><tr><th>Title</th><th>Name</th><th>Date</th><th>Organizer</th><th>Course</th><th>Hours</th></tr><tr><td rowspan="2">Independent Director</td><td rowspan="2">Hui-Ying, Wang</td><td>2024/5/27</td><td>Taiwan Corporate Governance Association</td><td>Information Security Governance Trends and Challenges</td><td>3</td></tr><tr><td>2024/12/26</td><td>Taiwan Corporate Governance Association</td><td>Incorporate sustainable information into internal control audits</td><td>3</td></tr></table> | Title  | Name  | Date | Organizer | Course  | Hours | Independent Director | Hui-Ying, Wang | 2024/5/27 | Taiwan Corporate Governance Association | Information Security Governance Trends and Challenges | 3 | 2024/12/26 | Taiwan Corporate Governance Association | Incorporate sustainable information into internal control audits | 3 | <p>(6) Implementation of risk management policies and measurement standards: The Company has formulated the “Risk Management Policy and Procedures” that outlines the scope and structure of risk management, and has set up a risk management system to identify existing and future risks regularly or from time to time and respond, report, and monitor immediately. The Company has also enhanced employees' awareness of such risks to ensure corporate sustainable development. The implementation of risk management for 2024 was reported to the Board of Directors on December 26, 2024 and has been disclosed on the Company’s website. For other information, please refer to V.Review and Analysis of Financial Conditions, Financial Performance, and Risk Issues.</p> <p>(7) Implementation of customer policies: The Company continues to offer customers products with stable quality, maintain a long-term relationship with customers, and promote customers' corporate social responsibility.</p> <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> |  |  |  |  |
| Title                | Name                  | Date       | Organizer   | Course   | Hours |      |           |   |       |                      |                |           |   |   |   |            |   |  |   |  |  |  |  |  |
| Independent Director | Hui-Ying, Wang        | 2024/5/27  | Taiwan Corporate Governance Association   | Information Security Governance Trends and Challenges            | 3     |      |           |   |       |                      |                |           |   |   |   |            |   |  |   |  |  |  |  |  |
|                      |                       | 2024/12/26 | Taiwan Corporate Governance Association   | Incorporate sustainable information into internal control audits | 3     |      |           |   |       |                      |                |           |   |   |   |            |   |  |   |  |  |  |  |  |

| Evaluation Item   | Implementation Status |    |   | Discrepancies in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons |
|---|-----------------------|----|---|---|
|   | Yes                   | No | Summary   |   |
|   |                       |    | (9) The Company handles material inside 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, people who know material inside information of the Company shall trade securities of the Company in accordance 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. |   |
| 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). | ✓                     |    | In order to improve governance performance, the following improvements were made in 2024:<br>(1) Upload the Chinese and English versions of the annual report 18 days before convening the annual shareholders' meeting.<br>(2) Disclose the linkage between directors' and managers' performance evaluation and remuneration in the Company's annual report.<br>(3) Establish a full-time (or part-time) unit to promote sustainable development, conduct risk assessments on environmental, social, or corporate governance issues related to the Company's operations based on the principle of materiality, formulate relevant risk management policies or strategies, and have the Board of Directors oversee the promotion of sustainable development and disclosed on the Company's website and annual report.           | 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) Disclose the formulated supplier management policy on the Company website, annual report, or sustainability report; require suppliers to comply with relevant regulations on the issues of environmental protection, occupational safety and health, or labor human rights; also, explain the implementation status. |   |

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

A. Composition of the Salary and Remuneration Committee

To enhance corporate governance and establish 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 Jin-Huang, Huang 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         | Professional Qualification and Experience<br>(Note 1)  | Compliance with Independence<br>(Note 2)   | Number of concurrent positions as directors as other companies |
|---------------------------------|------------------|--|--|--|
|                                 | Name             |  |  |  |
| Independent Director            | Chun-Ming, Wu    | <p>Work experience in commerce, finance, accounting, and operational judgment required capacity.</p> <p>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.</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> | 2  |
| Independent Director (Convener) | Jin-Huang, Huang | <p>Work experience as lecturer in corporate operations related departments of public and private universities and colleges.</p> <p>Chair of Department of Mechanical and Computer-Aided Engineering, Feng Chia University</p> <p>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</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> | 2  |
| Independent Director            | Chun-An, Li      | <p>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.</p> <p>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.</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.

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 From May 27, 2022 to May 26, 2025. In 2024, the Salary and Remuneration Committee convened 4 meetings. 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    | 4                         | 0                                  | 100                            | -      |
| Independent Director | Jin-Huang, Huang | 4                         | 0                                  | 100                            | -      |
| Independent Director | Chun-An, Li      | 4                         | 0                                  | 100                            | -      |

| The operation of the Salary and Remuneration Committee in 2024 and as of the printing date of the Annual Report:  |   |   |   |
|---|---|---|---|
| Salary and Remuneration Committee   | Agenda  | Resolution                              | Action Taken  |
| 2024.02.26<br>5th session 6th Meeting   | 1. The Company's 2023 employee remuneration and director remuneration   | Unanimously passed upon chair's request | Unanimously passed by the Board   |
| 2024.08.19<br>5th session 7th Meeting   | 1. Distribution of director remuneration for 2023<br>2. Executive performance bonuses   | Unanimously passed upon chair's request | Unanimously passed by the Board   |
| 2024.11.7<br>5th session 8th Meeting  | 1. The Rules Governing the Company's 2024 Cash Capital Increase Common Stock Subscription by Employees<br>2. The Company's issuance of new shares for employee stock subscription in 2024 from managerial officers' cash capital increase   | Unanimously passed upon chair's request | 1. Unanimously passed by the Board<br>2. As the proposal involved the interests of certain directors and managers, those concerned were requested to recuse themselves. The Chairman designated Independent Director, Jin-Huang Huang, to preside over this resolution, and the acting chairman consulted with the other directors present and passed the resolution unanimously. |
| 2024.12.26<br>5th session 9th Meeting   | 1. Distribution of 2023 employee remuneration for executives<br>2. Distribution of the second half of 2024 performance bonuses and year-end bonuses for executives  | Unanimously passed upon chair's request | Unanimously passed by the Board   |
| 2025.02.25<br>5th session 10th Meeting  | 1. The Company's 2024 employee remuneration and director remuneration<br>2. The Company has commissioned the Taiwan Association of Board Governance to conduct the board performance evaluation project<br>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   |
| Other matters to be recorded:   |   |   |   |
| <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 proposal, 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 proposal, 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:

| Evaluation Item   | Implementation Status |    |   | Discrepancies in the Corporate Social Responsibility 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>The Company established the “Corporate Governance and Sustainable Development Committee” in 2019 to practice corporate sustainable development and social responsibility. The Committee is formed with 8 members on the board and the chairman serves as the convener, the 8 members are 3 directors and 5 independent directors to lead the working groups of economic, environmental, social, ethical corporate management, risk management. etc. 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 and SASB), 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> <p>(3)Routinely evaluate the execution performance of the Company’s sustainable development plan and report to the Board for annual execution outcome.</p> | No major discrepancy   |

| Evaluation Item | Implementation Status |    |  | Discrepancies in the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |
|-----------------|-----------------------|----|--|--|
|                 | Yes                   | No | Summary  |  |
|                 |                       |    | <p>(4) Other matters resolved by the Board for instruction to the Committee for processing.</p> <p>The Company's Governance and Sustainable Development Committee holds at least one meeting every year and had reported the current year's implementation results and next year's implementation plan to the Board of Directors on December 26, 2024.</p> <p>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>The training course of "Incorporating Sustainability Information into Internal Control Audits" was arranged for the members of the Corporate Governance and Sustainability Development Committee in 2024 for a total of 3.0 hours per person.</p> <p>Moreover, the Company established the SMP Department (Sustainable Manufacture Performance) in Fujian Sunshine Footwear Co., Ltd., which</p> |  |

| Evaluation Item   | Implementation Status |   |   | Discrepancies in the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |                      |  |               |                     |   |                 |  |                      |
|---|-----------------------|---|---|--|----------------------|--|---------------|---------------------|---|-----------------|--|----------------------|
|   | Yes                   | No  | Summary   |  |                      |  |               |                     |   |                 |  |                      |
|   |                       |   | scope of responsibility and function includes lean production, environmental engineering and human resource, with a specialist dedicated to each section and reporting to the departmental supervisor.  |  |                      |  |               |                     |   |                 |  |                      |
| 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?<br>Note: The principle of materiality refers to environmental, social and corporate governance issues that have a significant impact on company investors and other stakeholders. | ✓                     |   | <div>1. This disclosure information covers the Company's sustainable development performance in main production bases in 2024. The risk assessment boundary is mainly based on the Company, including the Taiwan Headquarters, China, Cambodia and Vietnam.</div> <div>2. The Company conducts risk assessment on the material issues based on the principles of materiality for sustainable development and, based on the risks identified, establishes relevant risk management policies or strategies as follows:</div> <table><tr><th>Material Issue</th><th>Risk Assessment Item</th><th>Risk Management Policies or Strategies</th></tr><tr><td rowspan="2">Environmental</td><td>1.Energy management</td><td>The Company is constantly improving energy efficiency and reducing greenhouse gas emissions by installing solar panels and ground source heat pumps, fully closed condensate recovery systems, and LED lights</td></tr><tr><td>2.Waste control</td><td>The Company's factories strive to reduce waste by selling leftover materials, recycling and remanufacturing waste materials during production, or training employees to meet local laws and regulations.</td></tr></table> | Material Issue   | Risk Assessment Item | Risk Management Policies or Strategies | Environmental | 1.Energy management | The Company is constantly improving energy efficiency and reducing greenhouse gas emissions by installing solar panels and ground source heat pumps, fully closed condensate recovery systems, and LED lights | 2.Waste control | The Company's factories strive to reduce waste by selling leftover materials, recycling and remanufacturing waste materials during production, or training employees to meet local laws and regulations. | No major discrepancy |
| Material Issue  | Risk Assessment Item  | Risk Management Policies or Strategies  |   |  |                      |  |               |                     |   |                 |  |                      |
| Environmental   | 1.Energy management   | The Company is constantly improving energy efficiency and reducing greenhouse gas emissions by installing solar panels and ground source heat pumps, fully closed condensate recovery systems, and LED lights |   |  |                      |  |               |                     |   |                 |  |                      |
|   | 2.Waste control       | The Company's factories strive to reduce waste by selling leftover materials, recycling and remanufacturing waste materials during production, or training employees to meet local laws and regulations.      |   |  |                      |  |               |                     |   |                 |  |                      |



| Evaluation Item | Implementation Status |    |                      |                                     |  | Discrepancies in the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |
|-----------------|-----------------------|----|----------------------|-------------------------------------|--|--|
|                 | Yes                   | No | Summary              |                                     |  |  |
|                 |                       |    | 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.                    |  |

| Evaluation Item  | Implementation Status |    |  | Discrepancies in the Corporate Social Responsibility 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 law, regulations and other rules in all countries and region. 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 regards to environmental engineering, the Company is committed to mitigation measures in energy consumption, waste gas, wastewater, and wastes. The waste water discharge by the production bases of the Company is conforming to 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 2024 the Company's main production bases generated 880,570 KG of non-hazardous waste and 38,268 KG of hazardous waste and incurred NT\$ 4,282 thousand on environmental protection.<br>Major energy-saving projects are as follows:<br>A. Taiwan Headquarters, Fujian Sunshine Footwear Co., Ltd., Hubei Sunsmile Footwear Co., Ltd., Sunny Footwear Co., Ltd., Lin Wen  | No major discrepancy   |

| Evaluation Item | Implementation Status |    |  | Discrepancies in the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |
|-----------------|-----------------------|----|--|--|
|                 | Yes                   | No | Summary  |  |
|                 |                       |    | <p>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. A geosystem was installed in the soil layer underground. Heat exchangers were buried to exchange heat with soil and rocks and further achieve refrigeration and heating with support of little energy. The total power generated is 10,519.35 MWh, reducing carbon emission by 7,116.83 Co2/tons, equivalent to 215.66 hectares of afforestation.</p> <p>B. The original steam condensate recovery system was changed into a fully closed 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. All factories of the Group will completely replace traditional fluorescent lamps with LED lighting with better energy-saving effect.</p> <p>D. 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.</p> |  |

| Evaluation Item  | Implementation Status |    |   | Discrepancies in the Corporate Social Responsibility 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? | ✓                     |    | E. The Company reduced volatile organic compounds that could harm employees' health and the environment, such as oily adhesives, treatments and cleaners. |  | No major discrepancy  |   |  |
|  |                       |    | (3)   |  |   |   |  |
|  |                       |    | Risk Identification   | Dimension  |   | Consideration of Risk Dimension   | Action Taken   |
|  |                       |    | Laws and regulations  | Greenhouse gas inventory declaration<br>Greenhouse gas emission cap control  |   | Carbon payment<br>Increase of operational costs<br>Limited capacity expansion | Reduction in greenhouse gas emissions<br>Utilization of environmental and sustainable raw materials<br>Low-carbon production and energy use<br>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<br>Declined revenue and property loss                      | Increase in employees' awareness of disaster prevention<br>Purchase of disaster prevention equipment<br>Purchase of property insurance   |
|  |                       |    | Other factors   | Stakeholders' request for greenhouse gas emission cap control  | A negative corporate image due to failure to meet the stakeholders' request | Green production  |  |

| Evaluation Item  | Implementation Status |    |   | Discrepancies in the Corporate Social Responsibility 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? | ✓                     |    | <p>(4) The Company took the following measures to reduce the impact on global warming:</p> <p>A. The Group HQ and each production base set up a multi-party video-conferencing system to reduce the frequency of business trips.</p> <p>B. Dormitories and shuttle buses were arranged at each production base to reduce fuel consumption and exhaust generated from commutes.</p> <p>C. Separate production bases were set up nearby, and raw materials were transported by company cars to separate plants for processing to reduce energy consumption generated from commutes.</p> <p>D. Each production base strove for landscaping in addition to implementing energy conservation and greenhouse gas emission reduction in operation.</p> <p>E. Each production base continued to improve the use of water, electricity, oil and gas by reducing the use of air conditioning through the ventilation system between workshops and paying attention to air conditioning temperatures in operating sites and offices at any time, so as to achieve the goal of energy conservation and greenhouse gas emission reduction.</p> | No major discrepancy   |

| Evaluation Item   | Implementation Status |    |   | Discrepancies in the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |
|---|-----------------------|----|---|--|
|   | Yes                   | No | Summary   |  |
|   |                       |    | F. The information of greenhouse gas emissions, water consumption and total waste weight about the past two years, please refer to the Company's "ESG Report".  |  |
| 4. Social issues  |                       |    |   |  |
| (1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?   | ✓                     |    | (1) The Company has established related policies and procedures in compliance with local labor regulations and the International Bill of Human Rights and treated all employees equally and with respect to protect their legal rights and interests.   | No major discrepancy   |
| (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? | ✓                     |    | (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.<br>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. | No major discrepancy   |

| Evaluation Item  | Implementation Status |    |  | Discrepancies in the Corporate Social Responsibility 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>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 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>(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 a mask. 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 were installed, and an amount of NT\$3,688 thousand was expensed for noise rectification equipment this year.</p> | No major discrepancy   |

| Evaluation Item | Implementation Status |    |   | Discrepancies in the Corporate Social Responsibility 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:</p> <p>(A) Occupational health promotion education and training system</p> <p>The occupational health management department shall work with the employee training department to ask for opinions on occupational health training according to laws and</p> |  |



| Evaluation Item | Implementation Status |    |   | Discrepancies in the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |
|-----------------|-----------------------|----|---|--|
|                 | Yes                   | No | Summary   |  |
|                 |                       |    | <p>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.</p> <p>(B) Maintenance and inspection system for occupational disease and hazard protective facilities</p> <ol style="list-style-type: none"> <li>1. 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.</li> <li>2. 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.</li> <li>3. The equipment management department is responsible to repair the occupational disease and hazard protective facilities. When finding any malfunction,</li> </ol> |  |

| Evaluation Item | Implementation Status |    |  | Discrepancies in the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |
|-----------------|-----------------------|----|--|--|
|                 | Yes                   | No | Summary  |  |
|                 |                       |    | <p>departments of use shall cut off the power and report to the equipment management department immediately. They are not allowed to repair the facilities or proceed with production without permission.</p> <p>4. 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 up to scratch before handing them over to the departments of use with both parties' signatures affixed.</p> <p>5. 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 daily.</p> <p>C. Relevant verifications obtained by the company: Relevant verifications have not yet been obtained.</p> <p>D. In 2024 and as of the publication date of the annual report, the Company had no employee occupational accidents.</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</p> |  |

| Evaluation Item   | Implementation Status |    |   | Discrepancies in the Corporate Social Responsibility 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?   | ✓                     |    | <p>installed relevant fire safety devices in accordance with regulations. In 2024 and as of the publication date of the annual report, the Company had no fire incidents.</p> <p>(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.</p> <p>A total of 24,018 persons completed the career training in 2024 for a total training time of 103,018.7 hours.</p>  | 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? | ✓                     |    | <p>(5) The Company provides major customers reports on product quality and production progress on a regular basis, maintains smooth communication with customers, and accepts customers' audits. The business department is responsible to accept or reject customer complaints and report such complaints to the quality assurance department or related units until they are solved. The Company has strictly complied with the Restricted Substances List (RSL) provided by customers. The Company tests a raw material/material before purchasing it to avoid any restricted substances contained in the raw material/material. When any restricted substances are found in the test, the Company will stop purchasing such a raw material/material. Using such a raw material/material in production is prohibited to keep production free from materials that may cause damage to human</p> | No major discrepancy   |

| Evaluation Item  | Implementation Status |    |  | Discrepancies in the Corporate Social Responsibility 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>bodies or the environment. In addition to confidentiality agreements provided by customers, the Company alerts related researchers to the importance of confidentiality of customers' intelligent property rights on a regular basis.</p> <p>The Company has been a member of SATRA, the most authoritative British organization in the footwear industry, and its certified laboratory. SATRA studies and tests shoes in accordance with international standards. To ensure the quality of raw materials, the Company samples materials based on SATRA standards to examine whether colors, textures, and specifications meet the standards. To assure the Company's product quality, finished shoes go through the pull test and the wash test to verify the pressure which finished shoes can endure. The Company has insisted on implementing the ISO quality standards and has passed the ISO9001:2008 certification. Aiming to meet customers' needs, the Company has introduced the PDCA cycle (Plan, Do, Check, and Adjust) to ensure quality and legal compliance.</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</p> | No major discrepancy   |

| Evaluation Item     | Implementation Status  |    |   | Discrepancies in the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |                   |                     |  |  |                |  |   |                   |  |  |
|---------------------|--|----|---|--|-------------------|---------------------|--|--|----------------|--|---|-------------------|--|--|
|                     | Yes  | No | Summary   |  |                   |                     |  |  |                |  |   |                   |  |  |
|                     |  |    | <p>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> <tr> <th>Item</th> <th>Specific Practice</th> </tr> <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 rowspan="2">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> <tr> <td>Regularly evaluate and monitor supplier ratings, and require suppliers that do not meet the standards to provide PDCA reports for improvements.</td> </tr> <tr> <td>Supplier Training</td> <td>The Company occasionally promotes relevant policies, including workplace health, employee health, fire protection and maintenance, carbon inventory, climate change, regulatory risks, professional ethics, and conflict minerals.</td> </tr> </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. | Regularly evaluate and monitor supplier ratings, and require suppliers that do not meet the standards to provide PDCA reports for improvements. | Supplier Training | The Company occasionally promotes relevant policies, including workplace health, employee health, fire protection and maintenance, carbon inventory, climate change, regulatory risks, professional ethics, and conflict minerals. |  |
| 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.                           |    |   |  |                   |                     |  |  |                |  |   |                   |  |  |
|                     | Regularly evaluate and monitor supplier ratings, and require suppliers that do not meet the standards to provide PDCA reports for improvements.  |    |   |  |                   |                     |  |  |                |  |   |                   |  |  |
| Supplier Training   | The Company occasionally promotes relevant policies, including workplace health, employee health, fire protection and maintenance, carbon inventory, climate change, regulatory risks, professional ethics, and conflict minerals. |    |   |  |                   |                     |  |  |                |  |   |                   |  |  |

| Evaluation Item   | Implementation Status |    |  | Discrepancies in the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons                               |
|---|-----------------------|----|--|--|
|   | Yes                   | No | Summary  |  |
| 5. Does the Company refer to the standards or guidelines for preparing international standard reports for the preparation of sustainable development 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 2023 Sustainability Report in August 2024 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 2023 Sustainability Report has not acquired the opinion of accountability or assurance from third party. °</p> | <p>No major discrepancy</p> <p>The company will acquired 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. |                       |    |  |  |

| Evaluation Item   | Implementation Status |    |         | Discrepancies in the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |
|---|-----------------------|----|---------|--|
|   | Yes                   | No | Summary |  |
| 7. Other important information helpful in understanding corporat sustainable development operation:<br>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.<br>In 2024, the Group donated NT\$10,071 thouand to the following:<br>(1) Donated NT\$5,950 thousand to have the middle school dormitories in Yunlin renovated in order to help construct an excellent accommodation environment.<br>(2) Donated NT\$1,742 thousand to Rong Kang Medical Foundation (RKMF) to help promote the development of medical-related academic, teaching, and research.<br>(3) Financial support of NT\$1,130 thousand for the tuition and miscellaneous expenses, after-school tutoring, and student-related activities expenses of disadvantaged students in Yunlin area so to help them learn freely and grow up happily.<br>(4) Donated NT\$260 thousand to subscribe children’s charity reading magazines for elementary schools and orphanages in Yunlin area so to help create an excellent reading environment.<br>(5) Donate NT\$200 thousand to the “Dharma Mazu Temple” in Yunlin County to sponsor the charity activities of the Temple.<br>(6) Fujian Sunshine Footwear Co., Ltd. in China donated scholarships of NT\$576 thousand to Yang-En University, Lee-Ming University, and Chen Huangxing University so as to help schools improve teaching conditions and stimulate teachers’ and students’ enthusiasm for work and study.<br>(7) Fulgent Sun Footwear Co., Ltd. donated NT\$209 thousand to low-income households in Xing’an Province and as a natural disaster fund.<br>(8) NGOC HUNG Footwear Co., Ltd. in Vietnam donated NT\$4 thousand to Huyện Cẩm Giàng Government to build a disability medical center and gave back to the community. |                       |    |         |  |

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

1. Implementation of climate-related information

| Projects   | Implementations   |
|--|---|
| 1. Describe the management's supervision and governance of climate-related risks and opportunities   | <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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</li> </ul> |
| 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><b>Short-term:</b></p> <ul style="list-style-type: none"> <li>• Physical risk 1: Immediate (severity of extreme weather events such as typhoons and floods)</li> <li>• Impact target 1: Service/capacity reduction or interruption</li> <li>• Physical risk 2: Immediate (earthquake)</li> <li>• Impact target 2: Service/capacity reduction or interruption</li> </ul> <p><b>Mid-term:</b></p> <ul style="list-style-type: none"> <li>• Physical risks: Long-term (changes in rainfall patterns and extreme changes in climate patterns)</li> <li>• Impact target: Increase in operating costs</li> </ul>   |



| Projects  | Implementations   |
|---|---|
|   | <p><b>Long-term:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>   |
| <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: Each factory must gradually retire and replace old equipment and implement an energy-saving management plan to improve equipment efficiency in order to achieve the mission of saving 1% total electricity consumption in each factory.</p> <ul style="list-style-type: none"> <li>• 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 law and regulations/customers' energy saving and carbon reduction requirements.</li> <li>• The aforementioned purchase/renovation of factory equipment will cause increase in capital expenditure.</li> </ul> <p>B. Benefits: After the officially introduction of the “Carbon Border Adjustment Mechanism (CBAM) by the EU in 2026, importers must purchase certificates for importing products.</p> <ul style="list-style-type: none"> <li>• The carbon emissions fee is calculated based on the average closing price of the weekly carbon rights auctions of the EU, which will directly drive the carbon emission of sustainable/low-carbon products and related benefits of import and export trade.</li> <li>• The R&amp;D unit strives to respond to the demand trend for sustainable/low-carbon products in the future, which can help increase the selection of low-carbon materials and provide customers with more choices and services.</li> <li>• We know about the low-carbon materials from various manufacturers; therefore, we are able to suggest more suitable low-carbon materials to our customers in order to reduce the use of unsuitable materials, reduce development costs, and increase operating income.</li> </ul> |

| Projects  | Implementations  |
|---|--|
|   | <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 accounted for a certain percentage of our operating revenue by 2025. Under the circumstance, we must actively search for green energy, find green power manufacturers, evaluate green power prices, and purchase green power quotas required by customers/relevant regulations, which will cause increase in direct costs.</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&amp;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> |
| <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>  |

| Projects  | Implementations  |
|---|--|
| <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<br/> 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.<br/> 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<br/> 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.<br/> 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 proviers are managed in accordand 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  |   |                          |               |
|--|--|---|--------------------------|---------------|
|  | C. Water resources management objectives<br>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.<br>Regarding the use of water resources, Fulgent Sun bases on the stragegy of “cherishing, saving, and reusing” to actively promote employees to save water, promote various water-saving measures to improve water resource utilization efficiency, and plan to reduce total water consumption by 3%~5% per year. |   |                          |               |
| 7. If internal carbon pricing is used as a planning tool, the basis for pricing should be stated.  | The Company has not yet implemented carbon pricing currently.  |   |                          |               |
| 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. |  |   |                          |               |
|  | Work items   | Parent company  | Subsidiary               |               |
|  |  | Expected completion time  | Expected completion time |               |
|  |  | Designate the full-time (part-time) units, full-time (part-time) personnel, and their scope of duties | November 2025            | November 2026 |
|  |  | Develop an inventory plan   | December 2025            | December 2026 |
| Develop an assurance plan  | December 2027  | December 2028   |                          |               |
| 9. Greenhouse gas inventory and assurance  | The Company is a TWSE/TPEX listed company with a capital of less than NT\$5 billion. The greenhouse gas inventory is to be started in 2025 and the greenhouse gas assurance is scheduled in 2027.  |   |                          |               |

(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 |    |  | Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Summary  |   |
| 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 discrepancies  |
| (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 discrepancies  |

| 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 discrepancies  |

| 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 discrepancies  |
| (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.<br>On December 26, 2024, the dedicated unit reported to the Board on the implementation of ethical corporate management for 2024: | No major discrepancies  |

| Evaluation Item | Implementation Status |    |   | Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |
|-----------------|-----------------------|----|---|---|
|                 | Yes                   | No | Summary   |   |
|                 |                       |    | <p>1. Education and Training</p> <p>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>2. Awareness promotion of ethics</p> <p>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>3. 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 2024, 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 discrepancies  |
| (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 discrepancies  |
| (5) Does the Company regularly organize internal and external training on ethical corporate management?   | ✓                     |    | (5) The Company has promoted the awareness of ethical corporate management to employees in executive meetings and weekly meetings so that employees fully comprehend the idea and regulations.   | No major discrepancies  |

| 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 discrepancies  |
| (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 discrepancies  |
| (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 discrepancies  |

| Evaluation Item   | Implementation Status |    |   | Discrepancies in the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies and Reasons |
|---|-----------------------|----|---|---|
|   | Yes                   | No | Summary   |   |
| <p>4. 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>   | ✓                     |    | 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. | No major discrepancies  |
| <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's 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 2024 and up to the printing date of the Annual Report:

| Title                          | Name             | Date               | Organizer   | Course   | Hours |
|--------------------------------|------------------|--------------------|---|--|-------|
| Group President                | Fang-Chu, Liao   | 2024/5/27          | Taiwan Corporate Governance Association           | Information Security Governance Trends and Challenges  | 3     |
|                                |                  | 2024/12/26         | Taiwan Corporate Governance Association           | Incorporate sustainable information into internal control audits   | 3     |
| Group Executive Vice President | Chih-Cheng, Liao | 2024/3/14          | The Institute of Internal Auditors-Chinese Taiwan | How to adjust internal control systems to meet new ESG standards   | 6     |
|                                |                  | 2024/3/28          | Taipei Foundation of Finance                      | Corporate Governance - facing stakeholders - How can listed companies narrow the gap with the capital market                         | 3     |
|                                |                  | 2024/5/27          | Taiwan Corporate Governance Association           | Information Security Governance Trends and Challenges  | 3     |
|                                |                  | 2024/9/6           | Securities and Futures Institute                  | 2024 Insider Trading Prevention Conference   | 3     |
|                                |                  | 2024/9/11          | The Institute of Internal Auditors-Chinese Taiwan | The provisions and practices analysis on loaning of funds, making of endorsements/guarantees, and acquisition and disposal of assets | 6     |
|                                |                  | 2024/12/26         | Taiwan Corporate Governance Association           | Incorporate sustainable information into internal control audits   | 3     |
| Group CFO                      | Chien-Chao, Hong | 2024/9/9-2024/9/10 | Accounting Research and Development Foundation    | Professional Development of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges                     | 12    |
| Group Audit Manager            | Chia-Jung, Shen  | 2024/7/23          | The Institute of Internal Auditors-Chinese Taiwan | Subsidiary audit practice  | 6     |
|                                |                  | 2024/9/7           | The Institute of Internal Auditors-Chinese Taiwan | Internal Auditing Must-Learn ChatGPT Mastering Guide   | 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 25, 2025

The Statement of Internal Control System is issued based on the self-assessment of the Company for 2024:

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, 2024 (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 25, 2025. 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's 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 27, 2024 and their implementation:
- (A) Adoption of 2023 consolidated financial statements and business report.  
Implementation: The consolidated financial statements and business report for 2023 were adopted, with consolidated revenue of NT\$16,893,226 thousand, profit after tax of NT\$1,496,978 thousand, and earnings per share at NT\$7.87.
- (B) Adoption of distribution of 2023 earnings.  
Implementation: Cash dividends in the amount of NT\$380,660 thousand (EPS NT\$2.0) were allocated in the first half of 2023, with the distribution date set on April 18, 2024. The cash dividends in the amount of NT\$570,990 thousand were allocated in the second half of 2023 (EPS NT\$3.0). The dividends were paid in full on October 18, 2024. The total cash dividends were NT\$5.0 per share.
- (C) Amendments to the "Rules of Procedure for Shareholders' Meetings"  
Implementation: The amendments to the "Rules of Procedure for Shareholders' Meetings." were published on the Company website on May 28, 2024 and took effect thereon.
- (D) Amendments to the "Articles of Association."  
Implementation: The amendments to the "Articles of Association" were published on the Company website on May 28, 2024 and took effect thereon.
- B. Major resolutions approved in the Board meeting on February 26, 2024:
- (A) The Company's 2024 business plan.
- (B) The Company's 2023 statement of internal control system.
- (C) The Company's 2023 consolidated financial statements.
- (D) The Company's 2023 business report.
- (E) The Company's 2023 employee remuneration and director remuneration.
- (F) The Company's 2023 earnings distribution.
- (G) The Company's 2024 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) The period, location, and matters in relation to the Company's acceptance of shareholder proposals.
- (J) Setting the date and agenda of the Company's 2024 shareholders' meeting.
- C. Major resolutions approved in the Board meeting on April 16, 2024:
- (A) Amendments of partial clauses to the Company's "Articles of Association".
- D. Major resolutions approved in the Board meeting on May 9, 2024:
- (A) The Company's consolidated financial statements for the first quarter of 2024.



- E. Major resolutions approved in the Board meeting on August 19, 2024:
- (A) The Company's consolidated financial statements for the second quarter of 2024.
  - (B) Authorization of Chairman to decide on the distribution of earnings of subsidiary company - Capital Concord Enterprises Limited.
  - (C) Distribution of director remuneration for 2023.
  - (D) Executive performance bonuses.
  - (E) The Company's 2023 Sustainability Report has been prepared.
  - (F) Amendments of partial clauses to the Company's "Articles of Association".
  - (G) The Company intends to process the 2024 cash capital increase with new shares issued and to collect and issue the 6th unsecured convertible corporate bond in the Republic of China.
  - (H) The Company planned to have subsidiary in Hong Kong de-registered.
  - (I) Amendments to the "Authorization Chart".
- F. Major resolutions approved in the Board meeting on November 7, 2024:
- (A) The Company's consolidated financial statements for the third quarter of 2024.
  - (B) The Rules Governing the Company's 2024 Cash Capital Increase Common Stock Subscription by Employees.
  - (C) The Company's issuance of new shares for employee stock subscription in 2024 from managerial officers' cash capital increase.
  - (D) The Company planned to establish a subsidiary in Singapore.
- G. Major resolutions approved in the Board meeting on December 26, 2024:
- (A) The Company's audit plan for 2025.
  - (B) The Company's budget for 2025.
  - (C) Distribution of 2023 employee remuneration for executives.
  - (D) Distribution of the second half of 2024 performance bonuses and year-end bonuses for executives.
  - (E) The Company's business report and distribution of earnings for the first half of 2024.
  - (F) The Company intends to increase investment in its subsidiary, Capital Concord Enterprises Limited.
  - (G) Draft up the Company's "Sustainable Information Management Operating Procedures".
  - (H) Amendments to the "Authorization Chart".
- H. 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) The Company intends to purchase the stock shares of "Medao Trading Co., Ltd." from its related parties.
- (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 | 2024.1.1~2024.12.31 | 4,780      | 1,972<br>(Note) | 6,752 | Note: 1. Transfer pricing report \$905 thousand<br>2. Tax attestation \$750 thousand<br>3. Industrial and commercial registration \$317 thousand |
|                 | Yu-Chuan Wang  | 2024.1.1~2024.12.31 |            |                 |       |  |

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:

##### (1) About former Certified Public Accountant

|   |  |   |                                    |
|---|--|---|------------------------------------|
| Date of Replacement   | Passed by the Board of Directors on December 28, 2023.   |   |                                    |
| Reason and Explanation for Replacement  | Due to the internal adjustment of the CPA firm, the Company’s predecessor CPAs Hua-Ling, Liang and Mei-Lan, Liu have been replaced by CPA Hua-Ling, Liang and Yu-Chuan, Wang in the first quarter of 2024. |   |                                    |
| Explanation of the termination or rejection of appointment for the client or CPA.   | Counterparty   |   | CPA                                |
|   | Situation  |   | Client                             |
|   | Automatic termination of appointment   |   | N/A                                |
|   | Suspension of accepting (continuing) appointment   |   | N/A                                |
| The audit report opinion and reason for attesting with unqualified opinion in the recent two years                        | None   |   |                                    |
| Different opinions from the issuer  | Yes  |   | Accounting Principles of Practice  |
|   |  |   | Disclosure of Financial Statements |
|   |  |   | Scope or Procedures of Audit       |
|   |  |   | Others                             |
|   | None   | V |                                    |
|   | Description  |   |                                    |
| Other matters of disclosure (the disclosure subject to the paragraph 1-4 and 1-7 of Item 5, Article 10 of the principles) | None   |   |                                    |

(2) About Successive CPA

|   |  |
|---|--|
| Name of Firm  | Pricewaterhouse Coopers (PwC) Taiwan                     |
| Name of CPAs  | Hua-Ling, Liang and Yu-Chuan, Wang                       |
| Date of Appointment   | Passed by the Board of Directors<br>on December 28, 2023 |
| Before the successive CPA is appointed, if it inquired such accountant about the accounting treatment method of specific transactions or the applicable accounting principles and his / her possible opinion on the financial report, it shall disclose the matters it inquired about and the result thereof. | N/A  |
| The successive CPA's written opinion in connection with the discrepancy of opinion between it and the former CPA  | N/A  |

(3) The predecessor CPA's Written response to the matters referred to in Article 10.5(1) and Article 10.5(2).(iii) of the principles: N/A.

**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                       | 2024   |  | As of the current year<br>Ends March 30              |  |
|---|----------------------------|--|--|--|--|
|   |                            | Increase/<br>Decrease in<br>Number of<br>Shares Held | Increase/<br>Decrease in<br>Number of<br>Shares<br>Pledged | Increase/<br>Decrease in<br>Number of<br>Shares Held | Increase/<br>Decrease in<br>Number of<br>Shares<br>Pledged |
| Chairman                                    | Wen-Chih, Lin<br>(Note 1)  | 1,568,187  | -  | 609,000  | -  |
| Director and Group President                | Fang-Chu, Liao<br>(Note 1) | 1,438,532  | -  | 410,821  | -  |
| Director and Group Executive Vice President | Chih-Cheng, Liao           | 62,853   | -  | 20,000   | -  |
| Independent Director                        | Jin-Huang, Huang           | -  | -  | -  | -  |

| Title                                     | Name                      | 2024   |  | As of the current year<br>Ends March 30              |  |
|---|---------------------------|--|--|--|--|
|   |                           | Increase/<br>Decrease in<br>Number of<br>Shares Held | Increase/<br>Decrease in<br>Number of<br>Shares<br>Pledged | Increase/<br>Decrease in<br>Number of<br>Shares Held | Increase/<br>Decrease in<br>Number of<br>Shares<br>Pledged |
| Independent Director                      | Chun-An, Li               | -  | -  | -  | -  |
| Independent Director                      | Chun-Ming, Wu             | -  | -  | -  | -  |
| Independent Director                      | Shu-Ching, Chou           | -  | -  | -  | -  |
| Independent Director                      | Hui-Ying, Wang            | -  | -  | -  | -  |
| Group Executive Vice President            | Ming- Hsien, Chen         | 46,000   | -  | 10,000   | -  |
| Group Production Executive Vice President | Xu-Ming, Huang            | -  | -  | -  | -  |
| Group Operation Vice President            | Hui-Yi, Lin<br>(Note1, 2) | 191,293  | -  | 10,000   | -  |
| Group Development Vice President          | Hua-Jun, Peng             | -  | -  | -  | -  |
| Group CFO                                 | Chien-Chao, Hung          | 25,078   | -  | 10,000   | -  |
| Group Audit Manager                       | Chia-Jung, Shen           | 10,435   | -  | 1,000  | -  |

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

Note 2: Hui-Yi, Lin was promoted to group operation vice president on September 1, 2024.

- (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 30, 2025; 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)<br>Representative: Wen-Chih, Lin | 25,620,444             | 12.75 | 25,360,154<br>(Note 2)                    | 12.62 | -                                       | -     | Custodial account (MEINDL INT'L CO., LTD.) used by CTBC Bank  | Spouse                          | -      |
|  |                        |       |   |       |   |       | Wen-Chih, Lin   | Same as representative          | -      |
|  |                        |       |   |       |   |       | Xue-Qing, Lin   | Within second degree of kinship | -      |
|  |                        |       |   |       |   |       | 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)<br>Representative: Fang-Chu, Liao    | 23,032,802             | 11.46 | 30,638,379<br>(Note 3)                    | 15.24 | -                                       | -     | Custodial account (LASPORTIVA INT'L CO., LTD.) used by CTBC Bank  | Spouse                          | -      |
|  |                        |       |   |       |   |       | Wen-Chih, Lin   | Spouse                          | -      |
|  |                        |       |   |       |   |       | Xue-Qing, Lin   | Within second degree of kinship | -      |
|  |                        |       |   |       |   |       | Custodial account (MOONLIGHT INT'L CO., LTD.) used by Capital Securities Corporation  | Within first degree of kinship  | -      |
| Wen-Chih, Lin  | 5,017,935              | 2.50  | 25,360,154<br>(Note 2)                    | 12.62 | 25,620,444                              | 12.75 | 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          | -      |
|  |                        |       |   |       |   |       | Xue-Qing, Lin   | Within second degree of kinship | -      |
|  |                        |       |   |       |   |       | Custodial account (MOONLIGHT INT'L CO., LTD.) used by Capital Securities Corporation  | Within first degree of kinship  | -      |

| 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                    |        |
| Stock investment account of Pacific Capital UCITS-North & South EM Wholly Owned root managed by Citibank Taiwan          | 4,548,871              | 2.26 | -   | -    | -                                       | - | -   | -                               | -      |
| Investment account of Norges Bank managed by Citibank Taiwan   | 3,825,888              | 1.90 | -   | -    | -                                       | - | -   | -                               | -      |
| Custodial Account (Yong Yang International) Used by CTBC Bank  | 3,256,219              | 1.62 | -   | -    | -                                       | - | -   | -                               | -      |
| Union Bank of Taiwan   | 3,230,019              | 1.61 | -   | -    | -                                       | - | -   | -                               | -      |
| Xue-Qing, Lin  | 2,984,520              | 1.48 | -   | -    | -                                       | - | Custodial account (LASPORTIVA INT'L CO., LTD.) used by CTBC Bank  | Within second degree of kinship | -      |
|  |                        |      |   |      |   |   | Custodial account (MEINDL INT'L CO., LTD.) used by CTBC Bank  | Within second degree of kinship | -      |
|  |                        |      |   |      |   |   | Wen-Chih, Lin   | Within second degree of kinship | -      |
| Custodial account (MOONLIGHT INT'L CO., LTD.) used by Capital Securities Corporation (Note1) Representative: Hui-Yi, Lin | 2,978,720              | 1.48 | 160,459                                   | 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  | -      |
| Account of Allianz Taiwan Dam Fund   | 2,937,000              | 1.46 | -   | -    | -                                       | - | -   | -                               | -      |

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, 2024; 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 (Note 2)  | %     | Number of Shares   | % | Number of Shares (Note 2) | %     |
| Capital Concord Enterprises Limited         | 1,990,400                  | 100   | -  | - | 1,990,400                 | 100   |
| Wisesquare Enterprise Limited (Note 3)      | 100                        | 100   | -  | - | 100                       | 100   |
| Fujian Sunshine Footwear Co., Ltd.          | -                          | 100   | -  | - | -                         | 100   |
| Hubei Sunsmile Footwear Co., Ltd.           | -                          | 100   | -  | - | -                         | 100   |
| Sunny Footwear Co., Ltd.                    | -                          | 100   | -  | - | -                         | 100   |
| Fujian Laya Outdoor Products Co., Ltd.      | -                          | 100   | -  | - | -                         | 100   |
| Lin Wen Chih Sunbow Enterprises Co., Ltd.   | -                          | 100   | -  | - | -                         | 100   |
| Lin Wen Chih Sunstone Enterprises Co., Ltd. | -                          | 100   | -  | - | -                         | 100   |
| Lin Wen Chih Sunzeal Enterprises Co., Ltd.  | -                          | 100   | -  | - | -                         | 100   |
| Fulgent Sun Footwear Co., Ltd.              | -                          | 100   | -  | - | -                         | 100   |
| NGOC HUNG Footwear Co., Ltd.                | -                          | 100   | -  | - | -                         | 100   |
| Eversun Footwear Co., Ltd.                  | -                          | 100   | -  | - | -                         | 100   |
| Sunglory Footwear Co., Ltd.                 | -                          | 100   | -  | - | -                         | 100   |
| PT. SUN BRIGHT LESTARI                      | -                          | 100   | -  | - | -                         | 100   |
| Laya Technology Co., Ltd.                   | 5,750                      | 70.12 | -  | - | 5,750                     | 70.12 |
| Lin Wen Chih Sunlit Enterprises Co., Ltd.   | -                          | 100   | -  | - | -                         | 100   |

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

Note 2: No shares are issued.

Note 3: The cancellation was completed on March 14, 2025.



### III. 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 30, 2025; 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 30, 2025; Unit: Shares; %

| Name of Major Shareholder   | Number of Shares Held | Shareholding Ratio |
|---|-----------------------|--------------------|
| Custodial Account (LASPORTIVA INT'L CO., LTD.) Used by CTBC Bank (Note)   | 25,620,444            | 12.75              |
| Custodial Account (MEINDL INT'L CO., LTD.) Used by CTBC Bank (Note)   | 23,032,802            | 11.46              |
| Wen-Chih, Lin   | 5,017,935             | 2.50               |
| Stock investment account of Pacific Capital UCITS-North & South EM Wholly Owned root managed by Citibank Taiwan | 4,548,871             | 2.26               |
| Investment account of Norges Bank managed by Citibank Taiwan  | 3,825,888             | 1.90               |
| Custodial Account (Yong Yang International) Used by CTBC Bank   | 3,256,219             | 1.62               |
| Union Bank of Taiwan  | 3,230,019             | 1.61               |
| Xue-Qing, Lin   | 2,984,520             | 1.48               |
| Custodial account (MOONLIGHT INT'L CO., LTD.) used by Capital Securities Corporation (Note)                     | 2,978,720             | 1.48               |
| Account of Allianz Taiwan Dam Fund  | 2,937,000             | 1.46               |
| Total   | 77,432,418            | 38.52              |

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 authorise 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 2024 | December 26, 2024 | April 18, 2025       | 2.00                  | 380,659,744                |
| 2nd Half of 2024 | February 25, 2025 | (Note)               | 3.10                  | 623,068,603                |

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 amount 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' bonuses 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 25, 2025, the Board of Directors proposed distributing NT\$20,000,000 to employees and directors for 2024, respectively, which were the same as the estimates in the financial statements for 2024.
- (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 26, 2024, the Board of Directors resolved to distribute NT\$20,000,000 to employees and directors for 2023, respectively. The amounts resolved by the Board were consistent with the amounts actually distributed and those recognized in the 2023 financial statements.

(6) Repurchase of the Company's shares:

A. Implementation completed:

April 16, 2025

| 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<br>CPAs Hua-Ling, Liang and Yu-Chuan, Wang  |  |
| Repayment Method   | Holders of the convertible bonds, except for those converting the convertible bonds into commons 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. |  |
| Unredeemed Capital   | NT\$999,800 thousand (as of April 16, 2025)  |  |
| Provisions for Redemption or Advance Payoff  | 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.                           |  |
| 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 16, 2025, 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. | Currently, 200,992 thousand shares have been issued at the conversion price of NT\$109.60 per share. A total of 9,998 copies were unconverted as of April 16, 2025. If the balance of the convertible corporate bonds outstanding is converted into ordinary shares in full, 9,122 thousand shares will increase with a dilution ratio of 4.54%, showing a limited effect on current shareholders' equity.   |  |
| 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    | 2024  | As of April 16, 2025   |
|  |         |   |  |
| Market Price   | Highest | 124.80  | 142.70   |
|  | Lowest  | 108.55  | 103.95   |
|  | Average | 113.46  | 124.76   |
| Conservation Price   |         | 2024.11.15~12.31: 112.90  | 2025.01.01~01.06: 112.90<br>2025.01.07~03.23: 111.00(Note1)<br>2025.03.24~04.16: 109.60(Note2) |
| 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.**

## IV. 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  | 2023       |        | 2024       |        |
|---------------|------------|--------|------------|--------|
|               | Amount     | %      | Amount     | %      |
| Shoes         | 16,810,759 | 99.51  | 14,490,330 | 99.17  |
| Others (Note) | 82,467     | 0.49   | 121,141    | 0.83   |
| Total         | 16,893,226 | 100.00 | 14,611,471 | 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 combine customers' design concept and are functional, such as water-proof, breathable, anti-slip, wear-resistant, and conductive and heat storage. 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 iron work shoes, have delivered outstanding results, and the products developed with our customers have been awarded the best outdoor shoes in Europe.

The Company will keep track of changes in the shoe market, continue to learn and innovate, and develop a variety of recycled, reusable shoe materials as well as maintain good relationship 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 machine development task force, and the sole research and development task force to continuously develop new technology in the shoe industry new machine and new solution in order to meet customer demand and constantly improve 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.

On contrary, taking advantage of international trends and branding capacity, European and American shoe manufacturers, focus on product design and development and commission Chinese manufacturers to produce shoes as OEMs and sell the shoes through their marketing network. European and American shoe manufacturers prioritize brand management and focus on value addition and marketing, so as to control the market and economic benefits.

#### A. Industry Condition and Development

##### (A) Overview of Global Shoe Market

Shoes 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 macroeconomy. According to the statistical estimation of Mordor Intelligence, the footwear market scale will grow steadily at a compound annual growth rate (CAGR) of 5.25% from 2024 to 2028.

According to the global footwear industry report of Allied Market Research, the main footwear consumer market includes five major regions that are, North America, Latin America, the Middle East and Africa, the Asia-Pacific region, and Europe. First of all, the inventory consumption of North American distributors had come to an end, resulting in an annual growth rate of 5.31% in the import value of the US footwear products from January to November, with the growth momentum enhanced from October to November. The inflationary pressure had re-emerged in Europe as the Olympic fever faded, causing the EU's import value to decline in 2024. The decline in import value also occurred in Japan and China. However, although China's footwear import value had declined, China was actively securing the development of the domestic industry and strived to increase the market share of domestic brands.

##### (B) Development of the shoe 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.

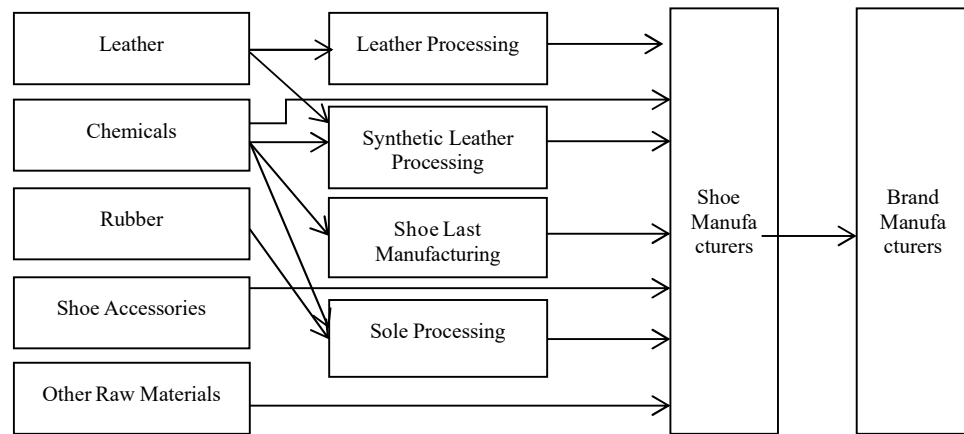
#### (C) Development of footwear market in Vietnam

Vietnam is currently the second-largest footwear manufacturer worldwide. International brands have exhausted their efforts to diversify their purchases 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 increased year by year with exports amount exceeding US\$20.2 billion in 2023. The annual growth rate of exports reached 12.94% from January to November 2024. Vietnam's exports to the United States and Europe have increased year by year, which is stronger than those of other Asian countries.

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 pouring 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 countries, 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 manufacturers, 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 skills, 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 shoe 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 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.

Unit: NT\$ Thousand

| Item \ Year                                     | 2023       | 2024       |
|---|------------|------------|
| R&D Expenses                                    | 180,326    | 303,285    |
| Consolidated Sales                              | 16,893,226 | 14,611,471 |
| Ratio of R&D Expenses to Consolidated Sales (%) | 1.07       | 2.08       |

## 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 | Shoe last and sole seam machine                              | Programmable sewing path, easy operation, reducing employee fatigue, and sewing untrimmed and puncture-proof materials  |
|               | Mobile double-station cutting machine                        | No need to push or pull, labor-saving design  |
|               | Fully automatic waist punching and buttoning machine         | Automatic punching and buckling device for waist buckles, improving efficiency and stabilizing quality  |
|               | Double-station digital leather punching machine              | High punching efficiency, high punching accuracy, and automatic blade replacement   |
|               | Foam cutting machine   | Automation machine for cutting extra thick products above 40mm  |
|               | INVISIBLE FIT semi-California Waterproof shoes               | Provide customers with more options in waterproof shoe structure  |
|               | Ultraviolet 3D UV freezing irradiation machine               | Double-sided irradiation and freezing function, high efficiency, no foaming during irradiation  |
| Product Craft | Heel computer sewing machine                                 | Heel 3D computer sewing machine heel weaving  |
|               | Shoe last computer sewing                                    | Shoe last 3D computer sewing machine front piece  |
|               | Upper flocking   | The upper equipped with velvet effect   |
|               | Upper decorative buckle                                      | Fashion trends  |
|               | Special mountain boots                                       | Specially designed for mountain climbers. It meets the needs of high-altitude environments above 8,000 meters and fully guarantees the comfort and safety of users. |
|               | PU-injected waterproof shoes without midsole cover structure | Save material costs   |
| Sole Craft    | Ultra-light PU full insert (57+/-3C)                         | Reduce shoe weight and improve comfort  |
|               | Quantum Foam full plug                                       | EVA material with high elasticity and high physical properties with competitive price offered   |
|               | Transparent welt technology                                  | Enhance the design and layering of shoes to meet customers' design needs for transparency elements  |
|               | Rubber outsole tear cloth perforation process                | Eliminate the manual trimming process and improve production efficiency   |
| Material      | CPU material   | Durability, reduce the use of demolding agents in the production process, and a more environmentally friendly product   |
|               | Fluorine-free waterproof woven material                      | Durable, breathable, and environmentally friendly materials   |

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

##### A. Short-term business development plans

- (A) Continue to expand the Group's production capacity and diversify and disperse production bases.

In prospect of 2025, the global economy remains facing many challenges, including the policies of the new US president, the unsynchronized monetary policies of central banks of various countries, and geopolitical conflicts. However, the global economy remains resilient, added with the major economies in a cycle of interest rate cuts and the expected stimulation of consumption and investment; therefore, in order to hedge the aforementioned risks and respond to future industrial development trends, and to meet the recovery demand for mass production orders, the Group will further diversify geopolitical and operating environment risks through the diversified deployment of production bases continuously. The Group's mid-term and long-term capital expenditure and production capacity planning are based on a comprehensive assessment of the global mid-term and long-term structural demand for outdoor sports and leisure footwear market, rather than just focusing on short-term factors. Therefore, the Group has accelerated the investment in new plant construction plans since the second half of 2024, has restarted the employee recruitment project, and has accelerated the purchase of new machinery equipment, as well as investment in the research and development of new technologies in order to create a more favorable and flexible room for the deployment of multiple brands and multiple factories, thereby creating quantitative and qualitative growth and improvement, and substantially upgrading the Group's production capacity and operating scale in order to meet the mid- and long-term positive development trend of the outdoor sports and leisure footwear industry, and to create the next wave of operational growth momentum forcefully.

- (B) Continue to enhance core technologies and streamline process integration to exercise management efficiency.

The Group has engaged in the footwear industry for 30 years and has developed a variety of footwear technologies continuously. The Company's manufacturing processes have passed multiple international certifications such as ISO9001, GB/T19001, GORE-TEX, and SATRA laboratory certifications. The Group's development team is strong and has established a number of project teams, such as new technology research and development, automated and semi-automated machine development, bottom material research and development, and big data artificial intelligence integration analysis. The Group will continue to improve core technical capabilities, continue to increase the proportion of automated production and the advanced development of new shoe models, and improve the production efficiency of each factory. The Company has already complied with various strict international standards in terms of production processes, environmental protection, factory management, etc., and has earned a good reputation in the industry, however, the management team will never be satisfied with the status quo, and will continue to improve the production process and adopt a lean production policy to improve production efficiency in order to provide customers with excellent services, and gradually shift to focusing on OEM of mid-and high-end functional shoes with high added value in order to reduce

the pressure of rising labor costs and to improve the overall profitability of the Group.

B. Long-term business development plans

- (A) Actively upgrade software and hardware equipment to enhance the deployment of smart production.

The Company will continue to enhance the deployment of intelligent production while expanding the production capacity in order to expand the enterprise territory, enhance the competitiveness of the Group, and diversify the business operation. Also, the Company will continue to enhance the deployment of intelligent production, improve hardware and software equipment, accurately and actively increase R&D investment, strive to promote the replacement, integration, and upgrade of various hardware and software and manufacturing equipment, enhance information security protection and management mechanisms, enhance the integration and optimization of production lines in various factories, enhance the promotion of various industry-academia cooperation projects with various departments of universities in various fields, utilize diversified external resources to enhance the Company's innovation energy and enhance R&D momentum, continue to cultivate multi-field talents with both moral integrity and ability in various fields through the long-standing internal training system, deepen the foundation of sustainable operation, improve hardware and software continuously, and utilize human-machine collaboration for intelligent production in order to establish a smart factory with adaptability, resource efficiency, and ergonomics. The Group aims to build up a more efficient, faster, and adaptable intelligent production mode, and strive to substantially build the Group's diversified competitive advantages in the footwear industry.

- (B) Deepen the partnership with existing customers and actively develop excellent potential new customers.

The Group currently provides OEM services to more than 50 globally renowned brands with diversified shoe models provided and distributed in Europe, America, Asia, and other continents around the world. The management team will adhere to the core values of "sincerity, speed, quality, and innovation," uphold the spiritual essence of "morality, wisdom, diligence, and long-term cultivation," and pursue the synergy goals of "excellent leadership, high quality and efficiency." The Group's management team will continue to maintain the multi-brand operation strategy. In addition to deepening the existing brands continuously, the Group will also strive to develop new brand customers actively. Since the outbreak of the COVID-19 pandemic in 2020, the Group has managed to solicited more than 20 customers, indeed a great accomplishment. In order to provide customers with prompt and excellent services in line with international trends, the sales strategy is more flexible and agile, aiming to listen to customer needs closely and grasp the latest market trends. Therefore, the Group has been able to maintain close and good contacts with most of the global renowned brands since the establishment of the Group 30 years ago, and has been able to establish a solid and stable strategic partnership.

- (C) Develop corporate governance, enhance investor relations, fulfill corporate social responsibility, and pursue sustainable innovation and growth.

The Group has realized the importance of pursuing profit growth since the day officially becoming a listed company; also, understood that the pursuit of profit is not the only mission of the company. Therefore, the Group has made it the mission to support the United Nations “Sustainable Development Goals (SDGs)” for years. Therefore, the core mission and primary intention and obligation of the Company’s management team is to promote and improve a healthy life and well-being, to fulfill corporate social responsibilities, and to pursue sustainable operations, that is, creating the cycle of excellence through participating in the fulfillment of corporate social responsibilities. The Company has been committed to the substantiation of corporate governance for years, although sale is everything, but corporate governance is the foundation. The management team will continue to improve corporate governance-related norms with a more rigorous attitude so to ensure the stakeholders’ rights and interests. The Company will also pay attention to various new domestic and international issues and trends, fulfill the sustainable development resulted, establish an internal control system for non-financial reporting (ICSR), ensure the quality and reliability of various data and information in sustainable reporting, emphasize the connection between sustainable information and financial statements, and plan the relevant schedule in advance in accordance with the “Blueprint for aligning with IFRS sustainable disclosure standards” issued by the Financial Supervisory Commission. The Company will continue to improve the corporate governance system and enhance internal control management mechanisms to create long-term value and strive to treat shareholders’ equity equally; also, strive to share the Company’s operating results with all shareholders and employees, optimize corporate governance, and pursue long-lasting excellence.

## 2. Market, Production, and Sales

### (1) Market analysis

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

Unit: NT\$ Thousand; %

| Sales Region \ Year   |           | 2023       |            | 2024       |            |
|-----------------------|-----------|------------|------------|------------|------------|
|                       |           | Amount     | Percentage | Amount     | Percentage |
| Domestic Sales (Note) |           | 954,774    | 5.65       | 588,142    | 4.03       |
| Export                | Asia      | 1,332,966  | 7.89       | 1,619,193  | 11.08      |
|                       | America   | 6,181,297  | 36.59      | 5,710,370  | 39.08      |
|                       | Europe    | 8,155,020  | 48.27      | 6,470,464  | 44.28      |
|                       | Africa    | 84,265     | 0.50       | 47,289     | 0.32       |
|                       | Australia | 184,904    | 1.10       | 176,013    | 1.21       |
|                       | Sub-Total | 15,938,452 | 94.35      | 14,023,329 | 95.97      |
| Total                 |           | 16,893,226 | 100.00     | 14,611,471 | 100.00     |

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

## B. Market share

The main customers of the company include Altra, Engelbert Strauss, Head Sport GmbH, La Sportiva, Meindl, NNormal, 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

According to the statistical estimation of Mordor Intelligence, the footwear market scale will grow steadily at a compound annual growth rate (CAGR) of 5.25% from 2024 to 2028. In terms of sales channels, in addition to existing physical store channels, the emerging e-commerce has caused consumers' shopping habits to change. Expanding product categories and emerging markets penetration are two key factors for growth. According to the global footwear industry report of Allied Market Research, the main footwear consumption market includes five major regions, including North America, Latin America, the Middle East and Africa, the Asia-Pacific region, and Europe. The Asia-Pacific region dominated the market in 2022 with a market share of 41.4% cornered, mainly due to the increase in consumption power driven by urbanization and the influence of European and American fashion trends, added with the huge demographic dividends of China and India that gives the brand shoe industry great business opportunities. The emerging e-commerce has also caused consumer shopping habits to change. The compound annual growth rate of online sales of shoes is expected to reach 6.1% in the period of 2023~2032.

## 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 Chinese and 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, and Cambodia. In 2024, the Company produced 18,085 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's 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 2024 were 58.93% in Vietnam, 27.47% in Cambodia, and 13.60% in China. 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 2024. 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

In recent years, people's consumption patterns and ideas have changed with improved living standards. More and more people have started to value sports activities, ecotourism and other healthy activities to the body and mind. The increasing awareness of sports activities worldwide further promotes the expansion of the global sports industry. Demand for fitness and entertainment, competitive sports watching, and sporting goods is growing. 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. The sports industry has also become the main growth point of the national economy in major Western countries.

According to a research report by Research Nester, the global sports industry is expanding rapidly, along with the advancement of technology, changes in consumer behavior, and changes in population structure. The report forecasts a steady compound annual growth rate (CAGR) of 4% from 2024 to 2036. The sporting goods market scale is expected to reach US\$800 billion by the end of 2036. It is also mentioned in the said research report that the sports spending in North America is continuing to grow due to the large and wealthy population of the United States; also, North America will have the largest share of the sporting goods market, reaching 35%, in 2036.

c. Government support for the sports industry

In recent years, governments of various countries have formulated relevant support policies for the sports industry. The U.S., the U.K., Japan, Spain, and Russia have provided athletes and professional groups or companies building sports facilities considerable tax preferences. As to China, which has gradually become the world's leading consumer of shoes, according to the “Opinions on Accelerating the Development of the Sports Industry and Promoting Sports Consumption 2021-2025” published by the State Council of the People's Republic of China in August 2021, the total scale of China's sports industry is projected to exceed RMB 5 trillion by 2025. China expects to drive economy through the sports industry by continuously improving the scale and quality of the sports industry and increasing sports spending.

(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. However, in recent years, the increase in wages has caused significant increase in cost of manufacture, especially for coastal cities in China; in addition, as China enforces the Labor Contract Law, labor cost, along with wages, has increased significantly, such as benefits and pensions, therefore offsetting revenue and profit.

Response Measures:

- (a) The Company has gradually shifted its production bases to places with low labor cost. For example, the Company has expanded the production line and capacity of factory in Vietnam and factory in Cambodia with lower labor costs, and will officially launch the new factory building plan in Indonesia, in addition to implementing lean production to improve productivity and reduced cost of manufacture.
- (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 pursues the agency of world-renowned brands of sports shoes and clothes using its existing resources and advantages, which drives revenue and profit and reinforces the growth and diversity of the Company's future operation
- (e) 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' ever-changing 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:

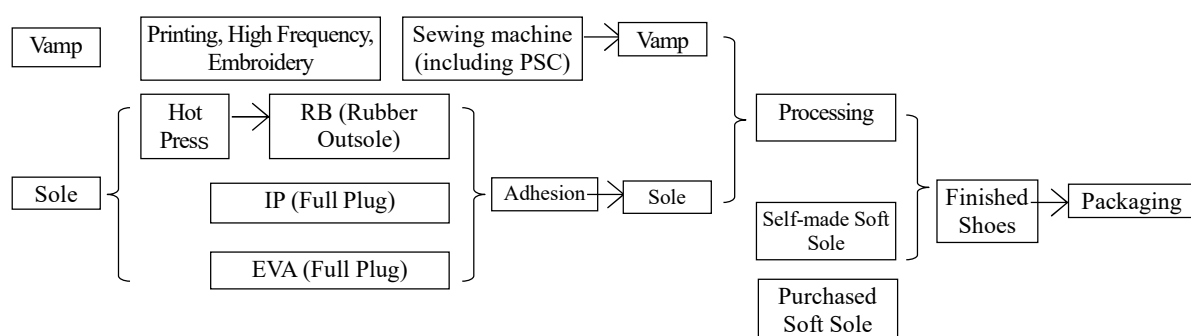
- (a) The Company increases the number and type of high-end, high value-added brand shoes and develops world-renowned brands at home and abroad to maintain its market share and reduce risk of significant influence with a single brand on the Company's operation.
- (b) With improved manufacturing process 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       | 22.91   | Stable           |
| Sole Materials and Semi-finished Products | Asia                  | 30.62   | Stable           |
| Leather and Leatherette                   | Europe and Asia       | 13.75   | Stable           |
| Shoelaces, Eyelets, and Accessories       | Asia                  | 10.74   | Stable           |

Note: The following figures are based on data for the year 2024.

(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. | 2023      |            |  |                              | 2024      |            |  |                              |
|-----|-----------|------------|--|------------------------------|-----------|------------|--|------------------------------|
|     | 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   | A         | 3,018,073  | 17.87  | None                         | A         | 3,199,691  | 21.90  | None                         |
| 2   | B(Note)   | -          | -  | -                            | B         | 2,280,788  | 15.61  | None                         |
| 3   | C         | 1,962,401  | 11.62  | None                         | C         | 1,910,896  | 13.08  | None                         |
| 4   | D(Note)   | -          | -  | -                            | D         | 1,477,375  | 10.11  | None                         |
|     | Others    | 11,912,752 | 70.51  | -                            | Others    | 5,742,721  | 39.30  | -                            |
|     | Net Sales | 16,893,226 | 100.00   | -                            | Net Sales | 14,611,471 | 100.00   | -                            |

Note: The customer's revenue did not exceed 10% of operating revenue in 2023, 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. However, due to reduced end-market demand in 2024, revenue experienced a slight decline compared to the previous year.
- (4) Customer D: The relationship with customers remained stable and healthy, earning their continued trust and resulting in increased revenue 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:

Unit: Person; year

| Year                     |                          | 2023   | 2024   | For the period from January 1 to March 31, 2025 |
|--------------------------|--------------------------|--------|--------|---|
| Number of Employees      | Management               | 518    | 646    | 661   |
|                          | Production Line          | 21,338 | 22,359 | 23,869  |
|                          | General Employees        | 3,881  | 4,067  | 4,195   |
|                          | Total                    | 25,737 | 27,072 | 28,725  |
| Average Age              |                          | 31.97  | 35.89  | 36.36   |
| Average Year of Services |                          | 4.35   | 4.62   | 4.53  |
| Education Ratio          | PhD                      | -      | -      | -   |
|                          | Master                   | 26     | 27     | 34  |
|                          | Bachelor or Equivalent   | 794    | 847    | 846   |
|                          | Senior High School       | 10,943 | 11,595 | 11,785  |
|                          | Below Senior High School | 13,974 | 14,603 | 16,060  |

### 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) twice every week. 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. Lecturers from consulting firms and professors are also engaged to teach supervisors and employees lean production; in addition, internal or external training courses are also provided for full-time employees as needed. The Company also assigns supervisors to participate in training courses on a regular basis to improve their personal quality and work skills. Results of training in 2024 are total of 24,018 attendances, a total of 103,018.7 hours.

#### C. Retirement system and its implementation

For the subsidiary of the Company in China, and according to the laws thereof, a monthly amount of 16%~19% of total monthly salary will be set aside and forwarded to the local bureau of labor and social security to pay for five funds related to employee retirement and insurance. Once an employee reaches the legal age of retirement, he/she may apply to the bureau of labor and social security for retirement pension. The Company also refers to local government regulations to provide retirement benefits for employees who reach the legal age of retirement.

The subsidiaries of the Company registered as subsidiaries according to the law of Vietnam. According to relevant laws of Vietnam, the Company has set aside 20% of an employee's base pay monthly and forwarded it to the local bureau of labor and social security to pay for social security, medical insurance, and unemployment insurance. Once an employee reaches the legal age of retirement, he/she may apply to the bureau of labor and social security for retirement pension.

The subsidiaries of the Company registered as subsidiaries according to the law of Cambodia. According to relevant laws of Cambodia, the Company has set aside 2~4% of an employee's base pay monthly and forwarded it to the local bureau of labor and social security to pay for social security, medical insurance, and unemployment insurance.

The Company's subsidiaries in Taiwan and the Company's subsidiaries in Hong Kong and its branches in the Republic of China have employee retirement related systems in accordance with the Labor Standards Act. The Company contributes 6% of the monthly salary to the pension payment on a monthly basis. As a pension, it is deposited into the individual labor pension account.

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 included 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 up to scratch 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 in the first time and stop them from spreading. In 2024, 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 come at the reasons for 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 screen, nor can they be printed on any report without being garbled.

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 2024 implementations are described below:

- (A) A total of 2 internal training sharing and information security education for other departments were conducted in 2024. 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. There were not any information security incidents harmful to the Group occurred in 2024.
  - (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) Invest in the construction of cloud desktop continuously: Cloud desktop user data is stored on the server with a cloud desktop backup made. Precisely control the input and output of USB and other devices in line with the AD domain in order to reduce the chance of viruses attack and improve overall security.
  - (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 1 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 | PT. PILAR TEGUH UTAMA   | 2024/3/1~Completed      | Matters related to the Factory engineering of PT. SUN BRIGHT LESTARI.                    | -  |
| Factory engineering contract | PT. PILAR TEGUH UTAMA   | 2024/6/7~Completed      | Matters related to the Factory engineering of PT. SUN BRIGHT LESTARI.                    | -  |
| Factory engineering contract | PT. PILAR TEGUH UTAMA   | 2024/8/18~ Completed    | Matters related to the Factory engineering of PT. SUN BRIGHT LESTARI.                    | -  |
| Factory engineering contract | PT. PILAR TEGUH UTAMA   | 2025/2/20~2025/8/31     | Matters related to the Factory engineering of PT. SUN BRIGHT LESTARI.                    | -  |
| Factory engineering contract | PT.INDOJAYA SUKSES MAKMUR                                       | 2025/1/21~2025/5/31     | Matters related to mechanical and electrical construction of PT. SUN BRIGHT LESTARI      | -  |
| 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 | 2024/1/9~Completed      | Matters related to the Factory engineering of Sunglory Footwear Co., Ltd.                | -  |
| Factory engineering contract | Dong Do Development Construction Investment Joint Stock Company | 2024/1/9~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.                | -  |
| Factory engineering contract | Dong Do Development Construction Investment Joint Stock Company | 2024/7/15~2025/7/14     | Matters related to the Factory engineering of Sunglory Footwear Co., Ltd.                | -  |
| Short-term Loan Contract     | Citibank- Taiwan Branch   | 2024/12/11~2025/12/10   | Line of credit NT\$600,000,000   | Combined with US\$44.5 million                     |
| Short-term Loan Contract     | SKBank Taiwan Branch  | 2025/3/5~2026/3/4       | Line of credit NT\$300,000,000   | Combined with US\$15 million                       |
| Short-term Loan Contract     | First Commercial Bank - Taiwan Branch                           | 2024/4/19~2025/4/18     | Line of credit NT\$ 300,000,000  | -  |
| Short-term Loan Contract     | HSBC Bank - Taiwan Branch                                       | 2024/5/9~2025/5/8       | Line of credit NT\$300,000,000   | Combined with US\$12 million                       |
| Short-term Loan Contract     | Cathay United Bank - Taiwan Branch                              | 2025/4/2~2025/6/30      | Line of credit NT\$200,000,000   | -  |
| Short-term Loan Contract     | Taipei Fubon Bank -Taiwan Branch                                | 2024/6/28~2025/5/3      | Line of credit NT\$200,000,000   | -  |
| Short-term Loan Contract     | Bank of Taiwan - Taiwan Branch                                  | 2024/6/28~2025/6/27     | Line of credit NT\$100,000,000   | -  |
| Short-term Loan Contract     | E.SUN COMMERCIAL BANK - Taiwan Branch                           | 2024/7/18~2025/6/11     | Line of credit NT\$300,000,000   | Combined with US\$10 million                       |
| Short-term Loan Contract     | CTBC Bank - Taiwan Branch                                       | 2024/7/23~2025/7/31     | 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  | 2024/8/9~2025/8/9       | Line of credit NT\$300,000,000   | Combined with credit line in US, NTD \$800 million |

| Nature of Contract         | Contracting Party  | Contract Start/End Date | Main Content                   | Restrictive Provision            |
|----------------------------|--|-------------------------|--------------------------------|----------------------------------|
| Short-term Loan Contract   | KGI Bank - Taiwan Branch                                     | 2024/8/9~2025/8/9       | Line of credit NT\$200,000,000 | Real estate pledged              |
| Short-term Loan Contract   | Mega Bills - Taiwan Branch                                   | 2024/10/7~2025/10/6     | Line of credit NT\$350,000,000 | -                                |
| Short-term Loan Contract   | Yuanta Bank - Taiwan Branch                                  | 2024/11/21~2025/11/20   | Line of credit NT\$200,000,000 | -                                |
| Mid-term Loan Contract     | SKBank - Taiwan Branch                                       | 2025/3/5~2026/3/4       | Line of credit NT\$150,000,000 | Combined with US\$15 million     |
| Bills of Exchange Contract | First Commercial Bank - Concord Enterprises Limited (HK)     | 2024/4/19~2025/4/18     | Line of credit US\$8,000,000   | -                                |
| Bills of Exchange Contract | CTBC Bank - Capital Concord Enterprises Limited (HK)         | 2024/7/23~2025/7/31     | Line of credit US\$5,000,000   | -                                |
| Bills of Exchange Contract | Cathay United Bank - Concord Enterprises Limited (HK)        | 2024/6/30~2025/6/30     | Line of credit US\$3,000,000   | -                                |
| Bills of Exchange Contract | E.SUN COMMERCIAL BANK - Concord Enterprises Limited (HK)     | 2024/7/18~2025/6/11     | Line of credit US\$3,000,000   | -                                |
| Short-term Loan Contract   | Citibank- Concord Enterprises Limited (HK)                   | 2024/12/11~2025/12/10   | Line of credit US\$44,500,000  | Combined with credit line in NTD |
| Short-term Loan Contract   | SKBank- Concord Enterprises Limited (HK)                     | 2025/3/5~2026/3/4       | Line of credit US\$7,500,000   | Combined with credit line in NTD |
| Short-term Loan Contract   | First Commercial Bank - Concord Enterprises Limited (HK)     | 2024/4/19~2025/4/18     | Line of credit US\$45,000,000  | -                                |
| Short-term Loan Contract   | HSBC Bank - Concord Enterprises Limited (HK)                 | 2024/5/9~2025/5/8       | Line of credit US\$12,000,000  | Combined with credit line in NTD |
| Short-term Loan Contract   | Bank of Taiwan - Concord Enterprises Limited (HK)            | 2024/6/28~2025/6/27     | Line of credit US\$6,000,000   | -                                |
| Short-term Loan Contract   | Taipei Fubon Bank - Capital Concord Enterprises Limited (HK) | 2024/6/28~2025/5/3      | Line of credit US\$5,000,000   | -                                |
| Short-term Loan Contract   | Cathay United Bank - Concord Enterprises Limited (HK)        | 2025/4/2~2025/6/30      | Line of credit US\$20,000,000  | -                                |
| Short-term Loan Contract   | E.SUN COMMERCIAL BANK - Concord Enterprises Limited (HK)     | 2024/7/18~2025/6/11     | Line of credit US\$10,000,000  | Combined with credit line in NTD |
| Short-term Loan Contract   | CTBC Bank - Capital Concord Enterprises Limited (HK)         | 2024/7/23~2025/7/31     | Line of credit US\$40,000,000  | Combined with credit line in NTD |
| Short-term Loan Contract   | KGI Bank - Capital Concord Enterprises Limited (HK)          | 2024/8/9~2025/8/9       | Line of credit US\$20,000,000  | Combined with NTD \$800 million  |
| Short-term Loan Contract   | Yuanta Bank - Capital Concord Enterprises Limited (HK)       | 2024/11/21~2025/11/20   | Line of credit US\$7,000,000   | -                                |
| Short-term Loan Contract   | Taipei Fubon Bank – Fulgent Sun Footwear (VN)                | 2024/8/8~2025/5/3       | Line of credit US\$5,000,000   | -                                |
| Short-term Loan Contract   | Cathay United Bank – Fulgent Sun Footwear (VN)               | 2024/10/29~2025/6/30    | Line of credit US\$5,000,000   | -                                |

## V. Review and Analysis of Financial Conditions, Financial Performance, and Risk Issues

### 1. Financial Conditions

Unit: NT\$ Thousand

| Item \ Year                   | 2023       | 2024       | Difference |        |
|-------------------------------|------------|------------|------------|--------|
|                               |            |            | Amount     | Amount |
| Current Assets                | 8,295,722  | 10,139,237 | 1,843,515  | 22.22  |
| Property, Plant and Equipment | 8,285,905  | 9,536,332  | 1,250,427  | 15.09  |
| Intangible Assets             | 12,593     | 39,373     | 26,780     | 212.66 |
| Other Assets                  | 2,087,617  | 2,050,241  | (37,376)   | (1.79) |
| Total Assets                  | 18,681,837 | 21,765,183 | 3,083,346  | 16.50  |
| Current Liabilities           | 4,883,984  | 5,535,503  | 651,519    | 13.34  |
| Non-current Liabilities       | 1,426,260  | 2,158,785  | 732,525    | 51.36  |
| Total Liabilities             | 6,310,244  | 7,694,288  | 1,384,044  | 21.93  |
| Share Capital                 | 1,909,899  | 2,535,697  | 625,798    | 32.77  |
| Capital Surplus               | 5,701,867  | 5,905,340  | 203,473    | 3.57   |
| Retained Earnings             | 5,510,985  | 5,935,795  | 424,810    | 7.71   |
| Other Equity                  | (693,575)  | (269,057)  | 424,518    | 61.21  |
| Treasury shares               | (57,583)   | (57,583)   | -          | -      |
| Non-controlling Interests     | -          | 20,703     | 20,703     | 100.00 |
| Total Equity                  | 12,371,593 | 14,070,895 | 1,699,302  | 13.74  |

(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. Current assets: An increase from that of last year, mainly due to the increase in cash, accounts receivable, and inventory.

B. Intangible assets: An increase from that of last year, mainly due to the increase in patent rights.

C. Non-current liabilities: An increase from that of last year, mainly due to the increase in corporate bond payable.

D. Total liabilities: An increase from that of last year, mainly due to the increase in accounts payable and corporate bonds payable.

E. Share Capital: An increase from that of last year, mainly due to the increase in advance receipts for share capital.

F. Other equity: An increase from that of in last year, mainly due to the exchange difference from the translation of financial statements of foreign operations.

G. Non-controlling interests: An increase from that of last year, mainly due to Laya Technology Co., Ltd. issued new shares through technology investment from non-related parties and a cash capital increase. However, the Group did not subscribe to the said new shares proportionally to the shareholding ratio.

(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 in the current period is mainly due to the increase in revenue and the increase in the demand for working capital, resulting in higher accounts payable and other payables. The increase in non-current liabilities in the current period is mainly due to the corporate bond payable.

## 2. Financial Performance

Unit: NT\$ Thousand

| Item \ Year   | 2023       | 2024       | Difference  |          |
|---|------------|------------|-------------|----------|
|   |            |            | Amount      | %        |
| Operating Revenue   | 16,893,226 | 14,611,471 | (2,281,755) | (13.51)  |
| Operating Costs   | 13,698,439 | 11,823,935 | (1,874,504) | (13.68)  |
| Gross Profit from Operations  | 3,194,787  | 2,787,536  | (407,251)   | (12.75)  |
| Operating Expenses  | 1,388,991  | 1,516,593  | 127,602     | 9.19     |
| Net operating income  | 1,805,796  | 1,270,943  | (534,853)   | (29.62)  |
| Non-operating Income and Expenses   | 234,857    | 469,456    | 234,599     | 99.89    |
| Profit before income tax  | 2,040,653  | 1,740,399  | (300,254)   | (14.71)  |
| Income Tax Expenses   | 543,675    | 366,553    | (177,122)   | (32.58)  |
| Net income  | 1,496,978  | 1,373,846  | (123,132)   | (8.23)   |
| Other Comprehensive (Loss) Income (Net Income after Tax)  | (290,275)  | 424,494    | 714,769     | 246.24   |
| Total Comprehensive Income  | 1,206,703  | 1,798,340  | 591,637     | 49.03    |
| Net Income Attributable to:   |            |            |             |          |
| Owners of the parent company  | 1,496,978  | 1,376,460  | (120,518)   | (8.05)   |
| Non-controlling Interests   | -          | (2,614)    | (2,614)     | (100.00) |
| Comprehensive income (loss) attributable to:  |            |            |             |          |
| Owners of the parent company  | 1,206,703  | 1,800,978  | 594,275     | 49.25    |
| Non-controlling Interests   | -          | (2,638)    | (2,638)     | (100.00) |
| (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: It is due to the decrease in operating revenue and the recognition of operating expenses for employee subscriptions retained from cash capital increase in this period, net operating income decreased compared with the same period last year.  |            |            |             |          |
| B. Non-operating income and expenses: It is due to the increase in exchange benefits.   |            |            |             |          |
| C. Income tax expense: It is mainly due to the decrease in operating revenue. As a result, the profit before income tax decreased compared with the same period last year, resulting in a decrease in income tax expenses correspondingly.  |            |            |             |          |
| D. Other comprehensive income and loss for the period and total comprehensive income and loss for the period: It is mainly due to exchange differences in the 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 basing 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 (2024)

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 |
| 2,609,321  | 2,040,564                                | (1,271,460)     | 3,378,425                 | -                                     | -              |
| <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\$2,040,564 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\$1,693,303 thousand in this period, mainly due to the continuing expansion of factories in Southeast Asia.</p> <p>Financing activities: The net cash inflow from financing activities is NT\$438,864 thousand in this period, mainly due to the Company's 6th convertible corporate bond offering in the Republic of China for an amount of NT\$1,086,001 thousand, cash capital increase advance receipts of NT\$625,798 thousand, distribution of cash dividends for an amount of NT\$951,650 thousand, and repayment of short-term borrowings amounting to NT\$283,325 thousand.</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 2025 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 (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  | 2,600,000                                | (2,000,000)     | 3,978,425                 | -                                     | -              |
| <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\$955,924 thousand and NT\$1,792,838 thousand in 2023 and 2024, 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   | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|------|------|------|------|------|
| Property, Plant, and Equipment Turnover Rate | 1.95 | 2.35 | 3.01 | 1.98 | 1.64 |
| Total Asset Turnover Rate                    | 0.83 | 0.97 | 1.19 | 0.81 | 0.72 |

##### **(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 2024 | Main causes for profits or losses  | Improvement Plan  |
|---|--------------------|--|--|---|
| Capital Concord Enterprises Limited         | 100                | 1,459,713                                      | Good business operation  | None  |
| Wisesquare Enterprise Limited               | 100                | (80)   | Loss due to not yet in operation   | The cancellation was completed on March 14, 2025  |
| Fujian Sunshine Footwear Co., Ltd.          | 100                | (19,707)                                       | Loss due to a lack of economic scale efficiency                          | Increase production efficiency and continue to expand business to improve profitability |
| Hubei Sunsmile Footwear Co., Ltd.           | 100                | (34,651)                                       | Loss due to a lack of economic scale efficiency                          | Increase production efficiency and continue to expand business to improve profitability |
| Sunny Footwear Co., Ltd.                    | 100                | 16,836   | Good business operation  | None  |
| Fujian Laya Outdoor Products Co., Ltd.      | 100                | 58,912   | Good business operation  | None  |
| Fulgent Sun Footwear Co., Ltd.              | 100                | 176,965  | Good business operation  | None  |
| NGOC HUNG Footwear Co., Ltd.                | 100                | 66,438   | Good business operation  | None  |
| Eversun Footwear Co., Ltd.                  | 100                | 46,432   | Good business operation  | None  |
| Sunglory Footwear Co., Ltd.                 | 100                | (1,891)  | Loss resulting from the start-up stage with operations not yet commenced | None  |
| Lin Wen Chih Sunbow Enterprises Co., Ltd.   | 100                | 181,495  | Good business operation  | None  |
| Lin Wen Chih Sunstone Enterprises Co., Ltd. | 100                | (1,633)  | Loss due to a lack of economic scale efficiency                          | Reduce fixed costs to reduce losses   |
| Lin Wen Chih Sunzeal Enterprises Co., Ltd.  | 100                | (12,118)                                       | Loss resulting from the start-up stage with operations not yet commenced | None  |
| Lin Wen Chih Sunlit Enterprises Co., Ltd.   | 100                | (125)  | Loss due to a lack of economic scale efficiency                          | Reduce fixed costs to reduce losses   |

| Investee                  | Shareholding Ratio | Investment gains and losses recognized in 2024 | Main causes for profits or losses  | Improvement Plan  |
|---------------------------|--------------------|--|--|---|
| PT. SUN BRIGHT LESTARI    | 100                | (3,528)  | Loss resulting from the start-up stage with operations not yet commenced | None  |
| Laya Technology Co., Ltd. | 70.12              | (6,190)  | 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 2025 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 2023 and 2024 were NT\$78,093 thousand and NT\$43,565 thousand, respectively, accounting for 0.46% and 0.30% of operating revenue and 3.83% and 2.50% of profit before income tax, respectively. The interest-bearing borrowings in 2023 and 2024 accounted for 9.02% and 6.94% 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

The low employment rate and European debts have eased, creating room for the adoption of the easing policy. Economy can be boosted through measures for quality and sustainable growth.

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. With the increasing awareness of sports activities



worldwide, the global sports industry has continued to expand in recent years. Being aware of this trend and the price fluctuations in the shoe market, the Company has adjusted procurement and sale policies resiliently while maintaining good interaction with suppliers and customers; therefore, the Company should be able to respond to the impact of future inflation or deflation.

- (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 except for derivatives trading for the avoidance of changes in foreign exchange rates. 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 for shoe and sells sports shoes and outdoor shoes as an OEM. Our customers are world-renowned brands of outdoor and sporting goods; some of our customers are even leaders in the industry. The Company develops products and controls 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 operation; 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 and the agency of brands. Currently, the Company has received orders from customers around the world and completed 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.

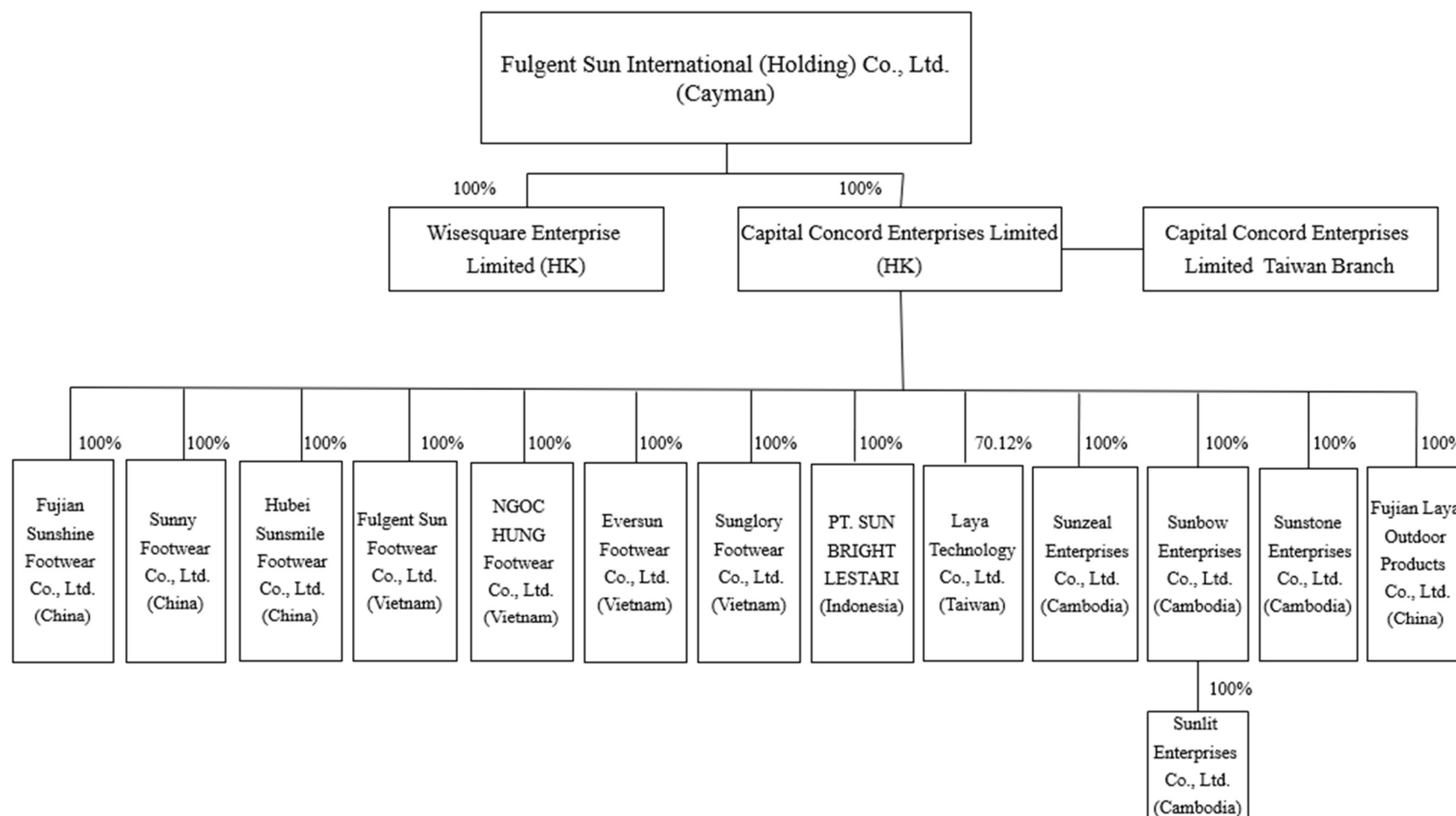
**7. Other Important Issues: None.**

## VI. Special Notes

### 1. Affiliated Companies

(1) Organizational chart of affiliated companies

Reference Date: December 31, 2024



## (2) Basic information on affiliated companies

December 31, 2024; 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                  | 1,909,899       | Holding company                        |
| Capital Concord Enterprises Limited           | 1994/12/15            | Hong Kong                       | 7,661,627       | 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      | 2,177,881       | 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           | 1,825,033       | 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 Duong Province, Vietnam     | 1,402,639       | Production of footwear                 |
| Eversun Footwear Co., Ltd.                    | 2021/8/5              | Ha Nam Province, Vietnam        | 1,139,429       | Production of footwear                 |
| PT. SUN BRIGHT LESTARI.                       | 2021/12/16            | Indonesia                       | 1,177,242       | Production and sales of footwear       |
| Laya Technology Co., Ltd.                     | 2022/8/23             | Taiwan                          | 57,500          | Production and sales of shoes material |
| Lin Wen Chih Sunzeal Enterprises Co., Ltd     | 2023/2/17             | Kompong Speu Province, Cambodia | 180,635         | Production and sales of footwear       |
| Sunglory Footwear Co., Ltd.                   | 2023/5/10             | Thai Binh Province, Vietnam     | 498,346         | Production of footwear                 |
| Wisesquare Enterprise Limited (Note)          | 2023/10/6             | Hong Kong                       | 413             | -                                      |

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

## (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 30, 2025

| Name of Company                               | Title                              | Name or Representative     | Shareholding             |                        |
|---|------------------------------------|----------------------------|--------------------------|------------------------|
|   |                                    |                            | Number of Shares (Share) | Shareholding Ratio (%) |
| Fulgent Sun International (Holding) Co., Ltd. | Chairman                           | Wen-Chih, Lin<br>(Note 1)  | 30,638,379               | 15.24                  |
|   | Director/President                 | Fang-Chu, Liao<br>(Note 2) | 25,360,154               | 12.62                  |
|   | Director/ Executive Vice President | Chih-Cheng, Liao           | 409,038                  | 0.20                   |
|   | Independent Director               | Jin-Huang, Huang           | -                        | -                      |
|   | Independent Director               | Chun-An, Li                | -                        | -                      |
|   | Independent Director               | Chun-Ming, Wu              | -                        | -                      |
|   | Independent Director               | Hui-Ying, Wang             | -                        | -                      |
|   | Independent Director               | Shu-Ching, Chou            | -                        | -                      |
| Capital Concord Enterprises Limited           | Chairman                           | Wen-Chih, Lin              | -                        | -                      |
|   | Director                           | Fang-Chu, Liao             | -                        | -                      |
|   | Director                           | Chih-Cheng, Liao           | -                        | -                      |
| Wisesquare Enterprise Limited (Note 3)        | Chairman                           | Wen-Chih, Lin              | -                        | -                      |
|   | Director                           | Fang-Chu, 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           | -                        | -                      |

| Name of Company                             | Title               | Name or Representative | Shareholding             |                        |
|---|---------------------|------------------------|--------------------------|------------------------|
|   |                     |                        | Number of Shares (Share) | Shareholding Ratio (%) |
| 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       | -                        | -                      |
| 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            | -                        | -                      |
| Sunglory Footwear Co., Ltd.                 | Chairman            | Wen-Chih, Lin          | -                        | -                      |
| PT. SUN BRIGHT LESTARI                      | Chairman            | Wen-Chih, Lin          | -                        | -                      |
|   | Director/President  | Fang-Chu, Liao         | -                        | -                      |
|   | Director            | Chi-Jen, Wu            | -                        | -                      |
|   | Director            | Stefanus Chandra       | -                        | -                      |
| 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       | -                        | -                      |

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.

Note 3: The cancellation was completed on March 14, 2025.

## (6) Operational highlights of affiliated companies

December 31, 2024; 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. | 1,909,899 | 15,389,134   | 1,338,942         | 14,050,192   | -                 | (75,994)         | 1,376,460              |
| Capital Concord Enterprises Limited           | 7,661,627 | 24,112,925   | 9,382,421         | 14,730,504   | 14,318,374        | 1,014,218        | 1,459,713              |
| Wisesquare Enterprise Limited                 | 413       | 221          | -                 | 221          | -                 | (60)             | (80)                   |
| Fujian Sunshine Footwear Co., Ltd.            | 723,826   | 2,673,076    | 456,441           | 2,216,635    | 1,306,200         | (120,524)        | (10,239)               |
| Fulgent Sun Footwear Co., Ltd.                | 2,177,881 | 4,525,685    | 1,426,283         | 3,099,402    | 2,782,456         | 190,504          | 176,965                |
| Sunny Footwear Co., Ltd.                      | 130,680   | 665,769      | 153,198           | 512,571      | 459,853           | 5,158            | 16,836                 |
| Hubei Sunsmile Footwear Co., Ltd.             | 1,825,033 | 2,150,659    | 170,317           | 1,980,342    | 315,235           | (116,028)        | (50,975)               |
| Fujian Laya Outdoor Products Co., Ltd.        | 40,656    | 791,813      | 406,612           | 385,201      | 812,065           | 42,206           | 59,696                 |
| Lin Wen Chih Sunbow Enterprises Co., Ltd.     | 1,518,038 | 4,479,306    | 850,168           | 3,629,138    | 3,881,985         | 219,175          | 181,495                |
| Lin Wen Chih Sunstone Enterprises Co., Ltd.   | 445,848   | 226,973      | 1,984             | 224,989      | -                 | (12,098)         | (1,633)                |
| Lin Wen Chih Sunzeal Enterprises Co., Ltd.    | 180,635   | 172,256      | 784               | 171,472      | -                 | (12,123)         | (12,118)               |
| Lin Wen Chih Sunlit Enterprises Co., Ltd.     | 232,402   | 260,006      | 913               | 259,093      | 4,205             | 601              | (125)                  |
| NGOC HUNG Footwear Co., Ltd.                  | 1,402,639 | 1,554,469    | 167,429           | 1,387,040    | 784,255           | 67,427           | 66,438                 |
| Eversun Footwear Co., Ltd.                    | 1,139,429 | 1,260,753    | 116,181           | 1,144,572    | 675,744           | 72,582           | 46,432                 |
| Sunglory Footwear Co., Ltd.                   | 498,346   | 718,813      | 220,756           | 498,057      | -                 | (2,780)          | (1,891)                |
| PT. SUN BRIGHT LESTARI                        | 1,177,242 | 1,225,727    | 75,393            | 1,150,334    | -                 | (8,690)          | (3,528)                |
| Laya Technology Co., Ltd.                     | 57,500    | 72,388       | 6,339             | 66,049       | 17,239            | (10,814)         | (8,761)                |

(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.**

**VII. 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.**

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

| <b>Protection of Shareholders' Equity</b>   | <b>The Company's Articles of Association and Reason for Discrepancies</b>   |
|---|---|
| <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"> <li>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</li> <li>2. Changes to the Articles of Association</li> <li>3. If the modification of the Articles of Association damages the rights of special shareholders, it must be resolved by the special shareholders' meeting</li> <li>4. Distribution of all or part of dividends and bonuses by issuing new shares</li> <li>5. Resolution on dissolution, merger or division</li> <li>6. Transfer of shares</li> </ol> | <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"> <li>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.</li> <li>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.</li> </ol> | <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> |