



股票 Stock code
代號 6768

志強國際企業股份有限公司

SPORTS GEAR CO., LTD.

2025 年度年報

2025 Annual Report

NOTE: This English translation is for reference purposes only and not a legally definitive translation of the original Chinese texts. In the event a difference arises regarding the meaning herein, the original Chinese version shall prevail as the official authoritative version.

公司網址：<https://www.sportsgear.com.tw>

公開資訊觀測站網址：<https://mops.twse.com.tw>

刊印日期：2026.03.31
Printed on

I. Names, titles, phone numbers, and email addresses of the Company's spokesperson and acting spokesperson

Name of the spokesperson: Benjamin David Metcalf

Title: Special Assistant to the Chairman

Telephone: (886)4-2258-5388

Email address: spg.ir@spg-sportsgear.com

Name of the acting spokesperson: Fu-Sheng Ku

Title: Corporate Governance Manager

Telephone: (886)4-2258-5388

Email address: spg.ir@spg-sportsgear.com

II. Names, titles, phone numbers, and email addresses of the litigation and non-litigation agents in the Republic of China

Name: Wei-Chia Chen

Title: Chairman

Telephone: (886)4-2258-5388

Email address: spg.ir@spg-sportsgear.com

III. Addresses and phone numbers of the head office, branches, and factories

(I) the Company

Name: Sports Gear Co., Ltd.

Address: The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208

Telephone: (886)4-2258-5388

(II) Subsidiaries and branches

Samoan Subsidiary

Name: Sports Gear Co., Ltd.

Address: Portcullis Chambers, P.O. Box 1225, Apia, Samoa

Telephone: (886)4-2258-5388

British Virgin Islands Subsidiary

Name: All Wells International Co., Ltd.

Address: 3rd Floor, J & C Building Road Town, Tortola British Virgin Islands, VG1110

Telephone: (886)4-2258-5388

Seychelles Subsidiaries

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Name: Elephant Step Co., Ltd.
Address: F20, 1st Floor, Eden Plaza, Eden Island, Seychelles.
Telephone: (886)4-2258-5388

Name: Fongyuan International Co., Ltd.
Address: F20, 1st Floor, Eden Plaza, Eden Island, Seychelles.
Telephone: (886)4-2258-5388

Taiwan Branch

Name: Sports Gear Co., Ltd. Taiwan Branch
Address: 3F, No. 266, Shizheng N. 5th Road, Xitun District, Taichung City
Telephone: (886)4-2258-5388

Taiwan Subsidiary

Name: Silk Invest International Co., Ltd.
Address: 1F, No. 266, Shizheng N. 5th Road, Xitun District, Taichung City
Telephone: (886)4-2258-5388

Vietnamese Subsidiaries

Name: Chi Hung Co., Ltd.
Address: My Hiep Quarter, Tan Dong Hiep Ward, Ho Chi Minh City,
Vietnam
Telephone: (84)2743-625022

Name: All Wells International Co., Ltd.
Address: Provincial Road 81, Phu Hua Dong Commune, Ho Chi Minh City,
Vietnam
Telephone: (84)2543-948427

Name: Can Sports Vietnam Co., Ltd.
Address: Thuan Hoa Village, Truong Mit Commune, Duong Minh Chau
District, Tay Ninh Province, Vietnam
Telephone: (84)2763-721111

Name: Dai Hoa Co., Ltd.
Address: Land Plot No. 240, Map Sheet No. 39, Quarter 7, Tan Uyen Ward,
Ho Chi Minh City, Vietnam
Telephone: (84)2743-642773

Name: August Sports Co., Ltd.
Address: Road No. 8, Tam Phuoc Industrial Park, Tam Phuoc Ward, Bien
Hoa City, Dong Nai Province, Vietnam.

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Telephone: (84)2513-686850

Cambodian Subsidiaries

Name: Can Sports Shoes Co., Ltd.

Address: National Road No.5, Chamkar Svay Village, Sedthei Commune,
Sameakki Mean Chey District, Kampong Chhnang Province,
Cambodia

Telephone: (855)26777666

Name: Fireman Factory Co., Ltd.

Address: National Road No.5, Chamkar Svay Village, Sedthei Commune,
Sameakki Mean Chey District, Kampong Chhnang Province,
Cambodia

Myanmar Subsidiary

Name: Sports Gear (Myanmar) Co., Ltd

Address: Lot No. (BA-1 +2), Thilawa SEZ Zone B, Yangon Region,
Myanmar.

Telephone: (886)4-2258-5388

Indonesian Subsidiary

Name: PT Can Sports Industrial Indonesia

Address: Jalan Raya Kasokandel Km, Kel., Kec., Kab. Majalengka,
Prop.Jawa Barat

Telephone: (886)4-2258-5388

Portuguese Subsidiary

Name: SGP-Sports Gear Portugal, S.A.

Address: Rua de Beduído, Lote 9, Eco Parque Empresarial de Estarreja,
3860-529 Estarreja, Portugal

Telephone: (351)234 842 013

German Subsidiary

Name: Footwear Innovation Lab GmbH

Address: Turnstraße 12A, 66953 Pirmasens, Germany

Telephone: (49) 63315534-0

Singapore subsidiary

Name: Sports Gear SG Private Ltd.

Address: 200 Kim Seng Road, #16-01, The Cosmopolitan, Singapore
239471

Telephone: (886)4-2258-5388

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Subsidiary companies in China

Name: Sports Gear China Co.,Ltd.

Address: No. 1191, South Street Shaolin, Xitianwei Town, Licheng District,
Putian City, Fujian Province

Telephone: (886)4-2258-5388

IV. Name, address, website, and telephone number of the stock transfer agency

Name: Stock Agency Department, Yuanta Securities Co., Ltd.

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

Address: B1, No. 67, Section 2, Dunhua South Road, Daan District, Taipei
City

Telephone: (886)2-2586-5859

V. Names of the CPAs who issued the most recent annual financial report, and the name, address, website and telephone number of their firm

Names of the CPAs: Accountants James Wu and Liu, Li-Wei

CPA firm name: Deloitte Taiwan

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

Address: 22nd Floor, No. 88, Section 1, Huizhong Road, Xitun District,
Taichung City

Telephone: (886)4-3705-9988

VI. The name of the exchange on which overseas securities are listed for trading and the method of inquiring for overseas securities information:

Not applicable

VII. Company website: <http://www.sportsgear.com.tw>

VIII. Members of the Board of Directors:

Title	Name	Nationality or place of registration	Primary experience (educational background)
Chairman	Patrick Chen	Republic of China	Department of Business Administration, Fu Jen Catholic University Director of Sports Gear Samoa, Elephant, Fongyuan, and All Wells Chairman and CEO of Silk Invest, Chi Hung, All Wells, Can Sports Cambodia, Can Sports Vietnam, Dai Hoa Vietnam, August Sports Vietnam, Fireman, Sports Gear (Myanmar) Commissioner of PT Can Sports Industrial Indonesia Director of SGP Director of FiL Director of Sports Gear SG Private Ltd. Chairman of Spread Idea Co., Ltd.

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Title	Name	Nationality or place of registration	Primary experience (educational background)
			<p>Director of X Man Footwear International Co., Ltd. Legal Person Director's Representative of Match Sports International Co., Ltd. Director of Mu Mu Sports International Limited Director of Lu Lu Sports International Limited Director of Lesson 1 Company Limited Legal Person Director's Representative of Pauian Archiland Co., Ltd. Director of Nanshan Senior High School Chairman of Sports Gear Social Welfare Foundation</p>
Director	Thomas Wang	Republic of China	<p>Department of Economics, National Taiwan University Legal Person Director's Representative of Interactive Digital Technologies Inc.</p>
Director	Davis Cheng	Republic of China	<p>Department of Electrical Engineering, National Taipei Institute of Technology (renamed to National Taipei University of Technology) Chairman of Interactive Digital Technologies Inc. Chairman of Hiltron Technologies Inc. Independent director of Taiwan IC Packaging Corporation Chairman of Artmo Inc. Director of Transcend Information, Inc. Independent director of TPK Holding Co., Ltd. Independent director of Senao Networks Co., Ltd.</p>
Director	Peter Shu	Republic of China	<p>Bachelor's Degree in Electro-mechanical Engineering, National Cheng Kung University Chairman and CEO of Transcend Information, Inc. Chairman of Taiwan IC Packaging Corporation Director of C-Tech Corporation President of Transcend Information Trading GmbH</p>
Independent Director	Tzung-Chen Chen	Republic of China	<p>Bachelor's Degree in Law, National Taiwan University Director General of the Judicial Yuan Judge and President of Taiwan Shilin District Court Judge and President of the Taichung Branch of the High Court of Taiwan Judge and President of the High Court of Taiwan Judge and President of the Supreme Court</p>
Independent Director	Leo Hong	Republic of China	<p>Master of Business, Graduate School of Business and Finance, Waseda University, Japan Manager, Yuanlin Branch, Mega International Commercial Bank Manager, Fengyuan Branch, Mega International Commercial Bank Senior VP, Mega International Commercial Bank Headquarters; Director of the Central Region Credit Management Center Senior VP, Mega International Commercial Bank Headquarters; Manager of International Business Group Chief Auditor of Mega International Commercial Bank</p>
Independent Director	Grace Chen	Republic of China	<p>Master of Accountancy, University of North Texas Certified Public Accountant of Chuan Zhi Accounting Firm Certified Public Accountant of KPMG Taiwan Independent Director of MSIG Mingtai Insurance Co., Ltd Independent Director of Sinon Corporation</p>

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Table of Contents

A.	Letter to Shareholders	1
B.	Company Profile.....	84
C.	Corporate Governance Report.....	5
I.	Information on directors, supervisors, presidents, vice presidents, senior vice presidents, managers of various departments and branches	5
II.	Remuneration paid to directors, supervisors, presidents and vice presidents in the most recent year	13
III.	Corporate governance operations.....	16
IV.	Information on CPA fees	45
V.	Information on change of accountants	46
VI.	The Company's chairman, president, manager in charge of financial or accounting affairs, and those individuals who have worked at the firm of the CPA or its affiliate within the most recent year.....	46
VII.	Changes to shareholding of directors, supervisors, managers, and major shareholders whose shareholding ratio exceeds 10% of the equity transfer and pledge loan in the most recent year and up to the printing date of the annual report	47
VIII.	Information disclosing where there are related parties, spouses, or relationships of kinship within second degree among any of the top ten shareholders, and the relationship between them.....	48
IX.	The number of shares held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same investee company, and calculate the comprehensive shareholding ratio together.....	49
D.	Fundraising Situation.....	50
I.	Capital and shares	50
II.	Company's dividend policy and implementation	51
III.	The impact of the proposed stock dividend this year on the Company's operating performance and earnings per share	51
IV.	Remuneration of employees, directors, and supervisors.....	51
V.	Buyback of treasury stock.....	52
VI.	Profile of corporate bonds.....	81

NOTE: This English translation is for reference purposes only and not a legally definitive translation of the original Chinese texts. In the event a difference arises regarding the meaning herein, the original Chinese version shall prevail as the official authoritative version.

VII. Handling situation of preferred shares.....	82
VIII. Status of participation in the issuance of overseas depository receipts	54
IX. Handling situation of employee subscription right certificates	54
X. Status of new restricted employee shares.....	54
XI. M&A handling situation	54
XII. Processing for the issuance of new shares by transfer of shares of other companies	82
XIII. Financing plans and implementation.....	54
E. Operation Overview	55
I. Business activities	55
II. Market, production, and sales overview.....	64
III. Number of employees	72
IV. Environmental protection expenditure information	73
V. Employer-employee relations	111
VI. Cyber security management	75
VII. Important contracts	77
F. Financial Condition and Financial Performance Review and Risk Analysis	82
I. Financial condition.....	82
II. Financial performance.....	83
III. Cash flow	84
IV. Effect of major capital expenditures on financial operations in the most recent year ..	85
V. Reinvestment policy, main reasons for profit or loss, and improvement plans in the most recent year and investment plans for the coming year.....	85
VI. Risk analysis.....	86
VII. Other important matters.....	90
G. Special Records	91
I. Affiliate information	91
II. In the most recent year and up to the printing date of the annual report, the status of private placement securities.....	94

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III. Status of holding or disposing of the Company's stocks by subsidiaries in the most recent year and up to the printing date of the annual report	94
IV. Other necessary supplementary explanations	94
H. Matters that have significantly affected shareholders' equity and prices of securities pursuant to Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the printing date of the annual report.....	95
I. Significant discrepancies with Taiwan's provisions on the protection of shareholder equity	96

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A. Letter to Shareholders

Greetings, fellow shareholders!

Amidst a rapidly changing global political and economic landscape, and despite volatile US tariff policies and exchange rates, the Company's consolidated revenue for 2025 surpassed NT\$20 billion for the first time. Operating revenue, gross profit, and net profit all grew compared to the previous year. Although net profit before tax and net profit after tax declined slightly compared to the previous year, the Company maintained a sound financial structure and ensured we had the ability to repay debt, building a strong foundation for continued investment into and expansion of business operations.

With regard to our production operations, in 2025 the Company produced 38.87 million pairs of finished shoe products in total, a 9.18% increase compared to 2024. Vietnam has continued to be the Group's main production base. We have improved our overall competitiveness by increasing automation and production efficiency, enabling us to offer more competitive cost and delivery times. The Company's production capacity in Cambodia has grown significantly through process improvements and technological advancements, and our multi-site production strategy has gradually begun showing benefits. Our Indonesian and Portuguese plants began production in the second half of 2025. New production lines and mid-to-high end product manufacturing capabilities were added to meet demand in preparation for future long-term growth.

Technology and innovation are key to maintaining long-term competitive advantages, which is why the Company has invested NT\$578,635 thousand in 2025 into R&D, representing approximately 2.84% of consolidated revenue and an increase compared to the previous year. Our R&D operations focused on process innovation, direct injection technology advancements, and adoption of renewable materials and digital management methods, in order to meet the increasing technological and compliance demands from our brand customers. The Company hopes to build competitive advantages through more efficient and sustainable business operations by continuing to strengthen R&D and manufacturing capabilities, supporting our medium- and long-term industrial

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development plans and product upgrading strategies.

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We have adhered to a business philosophy of implementing corporate social responsibility, and have continued to increase the proportion of recycled materials used in our products, adopting the use of raw materials that have obtained ISCC Plus certification. With regard to corporate governance, we have established a Sustainable Development Committee, which is already in its second year of operation. The Committee is responsible for cross-department communication and building consensus on promoting sustainability issues. With regard to the environment and society, the Company has formally submitted an application to join the Science-Based Reduction Targets (SBTi) initiative, and have set planned greenhouse gas reduction targets and pathways using scientific methods. We have also continued to improve our workplace environments and community outreach actions at each operating location.

The Company has been included as a constituent stock of the Taiwan Index Plus Corporation Customized Taiwan ESG High Dividend Equal Weight Index, and our Vietnam and Cambodia plants have also received local ESG awards, demonstrating our concrete and varied ESG achievements. The Company will continue strengthening risk management and operational flexibility, steadily advance our capital allocation and global expansion plans, and strive to maintain both growth momentum and sustainable values through continuously optimizing our ESG practices.

On behalf of Sports Gear Co., Ltd., I would like to thank all of our shareholders for your continued support.

We wish you and your family all the best.

Chairman: Sincerely, Patrick Chen [seal]

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2025 Business Report

The Company's 2025 operating performance and 2026 business plan are as follows:

I. 2025 Business Report

(I) Results of business plans

Unit: NT\$ thousand

Accounting items	2025	2024	Amount of increase (decrease)	Change ratio (%)
Net operating revenue	20,373,969	18,443,858	1,930,111	10.46%
Gross profit	4,038,786	3,817,104	221,682	5.81%
Net profit	1,715,235	1,607,399	107,836	6.71%
Net profit before tax	1,850,654	2,025,392	-174,738	-8.63%
Net profit after tax	1,352,114	1,596,027	-243,913	-15.28%

(II) Analysis of financial gains and losses and profitability

Analysis items		2025	2024
Financial structure	Ratio of liabilities to assets (%)	31.62	35.37
	Ratio of long-term capital to real estate properties, plants and equipment (%)	258.90	301.44
Liquidity	Current ratio (%)	287.23	287.90
	Quick ratio (%)	237.53	241.05
Profitability	ROA (%)	6.18	7.61
	ROE (%)	8.93	11.07
	Net profit margin (%)	6.64	8.65
	earnings per share (EPS) (NTD)	6.77	8.15

(III) 2025 budget execution: Since the Company has not disclosed its 2025 financial forecast, this item will not be explained.

(IV) Production overview:

The Company produced 38.87 million pairs of shoes in 2025, an increase of

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9.18% from 2024, with Vietnam accounting for 58.38%, and Cambodia accounting for 41.34%. The main production strategies for each region in 2025 are as follows.

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- 22.69 million pairs of shoes were produced in Vietnam, an increase of 3.93%. Vietnam will continue to be the Company's main production base in the future. We will continue improving production management, increasing the proportion of automation equipment used, and improving production efficiency.
- 16.07 million pairs of shoes were produced in Cambodia, an increase of 16.87%. We will continue to improve our production process, thereby improving our production technology.
- 110,000 pairs of shoes were produced in Indonesia and Portugal: Indonesia and Portugal both began production in the second half of 2025. In line with market conditions, we will continue establishing new production lines, building automated production facilities, and developing capabilities to produce mid and high end products, in order to steadily increase growth momentum.
- Expected production and sales volume for the future: In 2026, we will carefully plan how to allocate and expand our production capacity in response to market demand changes and the product orders received, in order to continue increasing sales.

(V) Research and development:

In 2025, the Company invested NT\$578,635 thousand into research and development, an increase from the NT\$503,860 thousand invested in 2024, and accounting for 2.84% of consolidated revenue. The Company has continued to invest in various innovative manufacturing processes and improvements to direct injection technologies. We have also accelerated the adoption of low-carbon processes, recycled materials, and digitalized management. This not only allows the Company to meet the ever-rising technological and compliance requirements from our brand partners, but also enhances our sustainable competitiveness, helping to support medium- and long-term industrial development.

(VI) Corporate Social Responsibility:

In order to implement sustainable development, the Company has established four major sustainability strategy directions, focused on: product, governance, environment, and society. Through continuous innovation and breakthroughs, we hope to become a company with sustainable operating values.

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As part of our product sustainability strategy, the Company has continued to expand the use of recycled materials in our products. We also use ISCC Plus-certified raw materials in our supply chain. With regard to sustainable governance, we have established the Sustainable Development Committee for the second year, which holds meetings where the heads of the Company's business units can exchange opinions and ideas with committee members, building a consensus on how sustainable management can be integrated into the core of the Company's business. With regard to sustainability for the environment and society, the Company has responded to the impact of greenhouse gases on climate change by formally submitting our application to participate in the Science-Based Reduction Targets initiative (SBTi), adopting scientific methods to help guide the Company in planning suitable greenhouse gas reduction targets and actions.

Apart from being included as a component of the Taiwan Index Plus Corporation (TIP) Taiwan ESG Sustainable High Dividend Equal Weight Index, the Company's sustainability accolades also include the external ESG awards received by our factories in Vietnam and Cambodia. In the future, the Company will continue ensuring that further progress towards ESG goals are made by obtaining or participating in external ESG certifications and projects.

II. Future Development Strategies of the Company and the Impact of External Competition, Legal Environment, and Overall Business Environment

US import tariff policies have undoubtedly been one of the most uncertain variables affecting the Company in 2025. Together with the significant exchange rate fluctuations, this has caused the Company to face numerous operational challenges. However, our core business demand has continued to grow steadily, and efforts to expand into further markets have yielded successful results. The Company's consolidated revenue reached a record high in 2025 by exceeding NT\$20 billion for the first time.

Looking to the future, the Company will continue monitoring industry trends and policy developments against a backdrop of increasingly fierce external competition, stricter regulatory requirements, and uncertainty across the overall economic environment. The Company will place a greater focus on risk management, operational flexibility, and enhancing our core competitive strengths, while at the same time adjusting our operational strategies to maintain competitive advantages and ensure sustainable development.

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Chairman:

Manager:

Head of Accounting:

B. Company Profile

I. Date of Establishment

The Company was established on March 28, 2017.

II. Company History

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Year	Major Events
2000	Chi Hung Co., Ltd., the first manufacturing base, was established in Binh Duong Province, Vietnam, to develop and manufacture a wide range of sports and casual shoes for Group A.
2003	Recognized by the brand of Group A, Chi Hung became the first factory development center of Group A in Vietnam.
2005	The Group established All Wells International Co., Ltd. in Vung Tau Province, Vietnam, entering into the field of football and American football OEMs while introducing Group A and Group B ball manufacturing.
2009	Established Can Sports Shoes Co., Ltd. in Kampong Chhnang Province, Cambodia, preparing for multinational production and introducing Group A to Cambodia for production
2011	Established Can Sports Vietnam Co., Ltd. in Tây Ninh Province, Vietnam, becoming the OEM partner of Group B and setting up a development center
2015	Signed a production development agreement with Group D, established a development center in Vietnam, and commenced mass production at the Can Sports Shoes plant in Cambodia.
2015	Established Dai Hoa Co., Ltd. in Binh Duong Province, Vietnam in 2011 and began development and production of Group E shoe products
2015	Signed a manufacturing agreement with Group C, established a Group C development center, and became the OEM partner of Group C
2017	The annual output of the Group officially exceeded 40 million pairs.
2017	The Group was reorganized to return to Taiwan for listing. Sports Gear Co., Ltd. (hereinafter referred to as Sports Gear) was established.
2018	Sports Gear purchased a site in Taiwan for the Group's headquarters and expected to establish the Group's operating headquarters in Taiwan.
2019	Established Group A's core development center in Vietnam.
2019	Won the CORE Innovation Cup award from our customer Group A
2019	Won the Shoe Dog Award of Process Innovation from our customer Group B
2020	Established Group B R&D center in Portugal
2020	Consecutively won the CORE Innovation Cup award from Group A
2020	Passed TWSE review as an overseas Taiwan business in December and gained approval to be a primary exchange (or OTC) listed company
2021	Listed as a primary exchange (or OTC) listed company on the TWSE on April 22 under stock code 6768
2021	Acquired a majority stake in Footwear Innovation Lab GmbH, Germany
2022	Signed a production development agreement with Group H, established a development center in Vietnam, and commenced mass production at the plant of August Sports Co., Ltd. in Vietnam
2023	Implementation of SAP to the Group's ERP System

III. Structure of the Group: See page 91: G Special Records.

IV. Risk Matters: See pages 86-90: F Financial Condition and Financial Performance Review and Risk Analysis.

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C. Corporate Governance Report

I. Information on directors, supervisors, presidents, vice presidents, senior vice presidents, managers of various departments and branches

(I) Information on directors and supervisors

1. Director

March 30, 2026 Unit: shares; %

Title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term of office	Date of first appointment	Shareholding when Elected		Number of shares currently held		Shares currently held by spouse and minor children		Shareholding by nominee arrangement		Primary experience (educational background)	Concurrent positions held at the Company and other companies	Managers, directors or supervisors who are spouses or within two degrees of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
Chairman	Republic of China	Patrick Chen	Male 60-69 years of age	2025.05.23	3 years	2017.3.28	1,991,000	0.99	1,991,000	0.99	0	0	118,193,924 (Note 1)	59.07	Department of Business Administration, Fu Jen Catholic University	Chairman of the Company Director of Sports Gear Samoa, Elephant, Fongyuan, and All Wells Chairman and CEO of Silk Invest, Chi Hung, All Wells, Can Sports Cambodia, Can Sports Vietnam, Dai Hoa Vietnam, August Sports Vietnam, Fireman, Sports Gear (Myanmar) Commissioner of PT Can Sports Industrial Indonesia Director of SGP Director of FiL Director of Sports Gear SG Private Ltd.	-	-	-

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Title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term of office	Date of first appointment	Shareholding when Elected		Number of shares currently held		Shares currently held by spouse and minor children		Shareholding by nominee arrangement		Primary experience (educational background)	Concurrent positions held at the Company and other companies	Managers, directors or supervisors who are spouses or within two degrees of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
																Chairman of Spread Idea Co., Ltd. Director of X Man Footwear International Co., Ltd. Legal Person Director's Representative of Match Sports International Co., Ltd. Director of Mu Mu Sports International Limited Director of Lu Lu Sports International Limited Director of Lesson 1 Company Limited Legal Person Director's Representative of Pauian Archiland Co., Ltd. Director of Nanshan Senior High School Chairman of Sports Gear Social Welfare Foundation			
Director	Republic of China	Thomas Wang	Male 70-79 years of age	2025.05.23	3 years	2018.12.24	0	0	0	0	0	0	0	0	Department of Economics, National Taiwan University	Legal Person Director's Representative of Interactive Digital Technologies Inc.	-	-	-
Director	Republic of China	Davis Cheng	Male 70-79 years of age	2025.05.23	3 years	2019.11.08	368,000	0.18	368,000	0.18	0	0	0	0	Department of Electrical Engineering, National Taipei Institute of Technology	Director of Transcend Information, Inc. Independent director of	-	-	-

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Title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term of office	Date of first appointment	Shareholding when Elected		Number of shares currently held		Shares currently held by spouse and minor children		Shareholding by nominee arrangement		Primary experience (educational background)	Concurrent positions held at the Company and other companies	Managers, directors or supervisors who are spouses or within two degrees of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
															(renamed to National Taipei University of Technology) Chairman of Hiltron Technologies Inc. Chairman of Interactive Digital Technologies Inc. Independent director of Taiwan IC Packaging Corporation Chairman of Artmo Inc.	TPK Holding Co., Ltd. Independent director of Senao Networks Co., Ltd.			
Director	Republic of China	Peter Shu	Male 70-79 years of age	2025.05.23	3 years	2022.05.27	0	0	2,130,000	1.06	0	0	0	0	Bachelor's Degree in Electro-mechanical Engineering, National Cheng Kung University Project manager, HP	Chairman and CEO of Transcend Information, Inc. Chairman of Taiwan IC Packaging Corporation Director of C-Tech Corporation President of Transcend Information Trading GmbH	-	-	-
Independent Director	Republic of China	Tzung-Chen Chen	Male 70-79 years of age	2025.05.23	3 years	2020.10.15	0	0	0	0	0	0	0	0	Bachelor's Degree in Law, National Taiwan University Director General of the Judicial Yuan Judge and President of Taiwan Shilin District Court Judge and President of the Taichung Branch of the	-	-	-	

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Title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term of office	Date of first appointment	Shareholding when Elected		Number of shares currently held		Shares currently held by spouse and minor children		Shareholding by nominee arrangement		Primary experience (educational background)	Concurrent positions held at the Company and other companies	Managers, directors or supervisors who are spouses or within two degrees of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
															High Court of Taiwan Judge and President of the High Court of Taiwan Judge and President of the Supreme Court				
Independent Director	Republic of China	Leo Hong	Male 70-79 years of age	2025.05.23	3 years	2019.11.08 (Note 2)	0	0	0	0	0	0	0	0	Master of Business, Graduate School of Business and Finance, Waseda University, Japan Manager, Yuanlin Branch, Mega International Commercial Bank Manager, Fengyuan Branch, Mega International Commercial Bank Senior VP, Mega International Commercial Bank Headquarters; Director of the Central Region Credit Management Center Senior VP, Mega International Commercial Bank Headquarters; Manager of International Business Group Chief Auditor of Mega	-	-	-	-

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Title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term of office	Date of first appointment	Shareholding when Elected		Number of shares currently held		Shares currently held by spouse and minor children		Shareholding by nominee arrangement		Primary experience (educational background)	Concurrent positions held at the Company and other companies	Managers, directors or supervisors who are spouses or within two degrees of kinship		
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship
															International Commercial Bank				
Independent Director	Republic of China	Grace Chen	Female 60-69 years of age	2025.05.23	3 years	2025.05.23	0	0	0	0	0	0	0	0	Master of Accountancy, University of North Texas Certified Public Accountant of Chuan Zhi Accounting Firm Certified Public Accountant of KPMG Taiwan	Independent Director of MSIG Mingtai Insurance Co., Ltd Independent Director of Sinon Corporation	-	-	-

Note 1: Patrick Chen holds 100% or majority shares in Match Sports International Co., Ltd., Mu Mu Sports International Limited, Lu Lu Sports International Limited, Spread Idea Co., Ltd. trust account and Spread Idea Co., Ltd.

Note 2: Previously left office on May 27, 2022 after term ended, and re-appointed on May 23, 2025.

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2. Supervisor: The Company has established an audit committee, so there are no supervisors.
3. Major shareholders of corporate shareholders: Not applicable.
4. Major shareholders of a corporate shareholder are representatives of the corporate shareholder: Not applicable.
5. Disclosure of professional qualifications of directors and supervisors and independence of independent directors

March 31, 2026

Conditions		Professional qualifications and experiences (Note 1)	Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Name				
Director	Patrick Chen	He is the founder of Sports Gear, has industry experience, strategic management expertise, and leadership and academic capabilities, and has been devoted to the footwear industry for over 30 years. He conducts strategic communication and interacts with the board of directors on business management, and provides relevant operations and management advice, and is hence equipped with practical skills in business, marketing and industry-related operational planning, operation and management.	Not applicable	None
	Thomas Wang	He is currently the legal person director's representative of Interactive Digital Technologies Inc. Possesses business, marketing, and industry expertise, allowing him to provide advice to the management team and improve the corporate governance capabilities of the Board of Directors.	Not applicable	None
	Davis Cheng	Currently a director of Transcend Information Co., Ltd., and independent director of TPK Holding Co., Ltd. and Senao Networks Co., Ltd. Previously served as Chairman of Hiltron Technologies Inc, and Chairman of Interactive Digital Technologies Inc. Possesses corporate governance, finance, operations management, and corporate operations expertise, allowing him to provide advice to the management team and improve the corporate governance capabilities of the Board of Directors.	Not applicable	2

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Conditions		Professional qualifications and experiences (Note 1)	Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Name				
	Peter Shu	Currently the Chairman of Transcend Information, Inc. Possesses extensive knowledge of the industry and practical experience, as well as business management and leadership skills. Able to provide keen sight into industry development trends, and has an understanding of the various business environment, economic, and cultural risks involved when expanding into overseas markets. This valuable experience enables him to provide the Board of Directors with advice and direction on corporate governance, operations management, and risk management, allowing him to provide strategic guidance to the Company and improve business performance as required by his role. Possesses professional working experience in business management, financial accounting, and risk management.	Not applicable	None
Independent Director	Tzung-Chen Chen	Independent Director Tzung-Chen Chen concurrently serves as a member of the Company's Remuneration Committee, Audit Committee, and Sustainability Committee. He possesses professional working experience in both law and crisis management, and holds professional and technical personnel qualifications, having passed the national examinations and obtained certification as a lawyer. He has previously served as a Supreme Court judge, the Director-General of the Department of Judicial Administration, Judicial Yuan, and President of the Shilin District Court. His expertise in law provides advice on risk management, legal strategy, compliance and management decisions.	Meets the independence criteria (Note 2)	None

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Name	Conditions Professional qualifications and experiences (Note 1)	Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Leo Hong	Leo Hong is an independent director who also serves as the convener of the Company's Remuneration Committee, as well as a member of the Audit Committee and Sustainability Committee. He has previously served as the Chief Auditor for Mega International Commercial Bank. He possesses professional working experience in finance, accounting, banking, internal auditing, and crisis management. His financial accounting expertise allows him to help the Board of Directors enhance their corporate governance capabilities and improve supervision over the Company's various committees.	Meets the independence criteria (Note 2)	None
Grace Chen(Independent Director Chen Jun-Man graduated from the University of North Texas Department of Accounting. He has worked as an accountant at KPMG Taiwan and Chuan Zhi Accounting Firm since 1988, and has more than 30 years of experience as a practicing accountant in accounting firms. He has also taught at the Tunghai University Department of Accounting. He is professionally qualified as a Certified Public Accountant and possesses professional accounting work experience, in line with the Board of Director's core competencies including financial accounting, business management, and leadership decision-making.	Meets the independence criteria (Note 2)	2

Note 1: None of the matters stipulated in Article 30 of the Company Act apply to the Company's directors.

Note 2: Each independent director has met the following independence requirements for the two years prior to being selected as an independent director, and during their term of office:

- (1) Non-employees of the Company or its affiliates.
- (2) Not a director or supervisor of the Company or its affiliates (does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (3) Does not hold more than 1% of the Company's outstanding shares in their own names or under the name of spouse, underage children, or proxy shareholder; nor is a top-10 natural-person shareholder of the Company.
- (4) Not a spouse, relative within the second degree, or direct blood relative within the third degree of the managers listed in (1) or the personnel listed in (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares of the Company, who are among the top five shareholders, or who have designate a representative as a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or Paragraph 2 of the Company Act (does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (6) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
- (7) Not a director, supervisor, or employee of another company or institution where a chairperson, general manager, or person

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holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses (does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).

- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company (does not apply to independent directors if a specific company or institution holds 20% of the Company's total issued shares but no more than 50% and the independent director is appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. However, this does not apply to Remuneration Committee, Public Acquisition Review Committee, or M&A Special Committee who perform their duties in accordance with the Securities Exchange Act or the relevant laws and regulations of the Business Mergers and Acquisitions Act.
- (10) Does not have a spousal or second-degree kinship relationship with other directors.

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6. Diversity and Independence of the Board

(1). Diversity of the Board

The Company advocates and respects the policy of board diversity to fortify corporate governance and promote the sound development of board composition and structure. It is our belief that the diversity approach has positive effects on the overall performance of the Company. Board members, selected on the basis of merit, have the ability to complement each other across industry sectors. This is reflected in the basic composition (e.g., age, gender, nationality, etc.). They all have exceptional accomplishments, experience, and reputations for their skills and capabilities (e.g., law, accounting, industry, finance, marketing, or technology) for business judgment, management, leadership and decision-making, and crisis management.

(2). Board of Directors diversity goals:

- A. At least one female director should be appointed to the Board of Directors.
- B. No more than 1/3 of the Company's Board of Directors shall be composed of directors who also concurrently serve as the Company's managerial officers.
- C. No more than 2 directors on the Board of Directors shall have a spousal or second-degree kinship relationship with another director.
- D. At least two independent directors shall serve no more than three consecutive terms.

(3). Implementation status

In order to enhance the competencies of the Board of Director's and achieve corporate governance targets, the Company's current board of directors consists of 7 directors, including 4 directors and 3 independent directors, 14.29% of whom are employees (Chairman Wei-Chia Chen is an employee of the Sports Gear Co., Ltd. Taiwan Branch, an affiliated company of the Group, to maintain insured status for labor insurance) and 42.86% are independent directors.

The Board of Directors members possess diverse core competencies, and includes directors from various professional backgrounds such as science and engineering, finance, and law. The four directors specialize in operation and management, leadership and decision-making, industry knowledge, finance and accounting, international market perspective and risk management, and the three independent

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directors have expertise in finance and accounting, and legal advice. They provide valuable guidance for the Company in various areas of knowledge.

The current Board of Directors has 3 independent directors (including one female independent director), making up 3/7 of the total number of director positions. 2 of these independent directors have not served more than 3 consecutive terms. No director concurrently serves as a manager at the Company, and no directors are the spouse or second-degree relative of another director. To enhance gender quality within the Board of Directors, the current Board of Directors includes at least one female director. The Company shall also aim to increase the number of female directors in future Board of Directors elections. The diversity policy for the current members of the Board of Directors of the Company is implemented as follows.

Name	Title	Gender	Age			Seniority of independent directors less than 3 years	Concurrent employee	Diversified core competencies (top 5)						
			50 to 59	60 to 69	70 to 79			Operation and management	Leadership and decision-making	Industry knowledge	Financial accounting	Legal affairs	International market perspective	Risk management
Patrick Chen	Director	Male		V			V	V	V	V			V	V
Thomas Wang	Director	Male			V			V	V	V	V		V	V
Davis Cheng	Director	Male			V			V	V	V	V		V	V
Peter Shu	Director	Male			V			V	V	V	V		V	V
Tzung-Chen Chen	Independent Director	Male			V			V	V	V		V	V	V
Leo Hong	Independent Director	Male			V			V	V	V	V		V	V
Grace Chen	Independent Director	Female		V		V		V	V	V	V		V	V

(4). Independence of the Board

The 4th Board of Directors has seven members, three of whom are independent directors. The target is to have at least three independent directors, who account for at least one-fifth of the total number of directors. Three independent directors were appointed in 2025, and they accounted for three-sevenths of the total number of directors. Another target is that employees do not

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account for more than half of the total number of directors, and currently only one director is an employee. In addition, spousal relationships and familial relationships within the second degree of kinship shall not exist among more than half of the Company's directors. The current Board is in compliance with the regulations. In summary, the independence targets have been met.

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(II) President, Vice President, Senior VP, and Managers of Various Departments and Branches

March 30, 2026 Unit: shares; %

Title	Nationality	Name	Gender	Date of election (appointment)	Shares held		Shares held by spouse and minor children		Shareholding by nominee arrangement		Primary experience (educational background)	Concurrent positions held at other companies	Managers who have a spousal relationship or a familial relationship within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	Republic of China	David Ma	Male	2023/07/03	0	0	0	0	0	0	Department of International Trade, Tunghai University President of Sports City International Inc. Chairman of Bamtop Garment Manufacturer Company Ltd. Business Manager /Factory Director of Ta Chung Knitting Co., Ltd.	Vice President of the Company	-	-	-	-
Chief Operating Officer and Vice President	Republic of China	Nick Lin	Male	2000/08/31	91,000	0.05	0	0	0	0	Shalu High-tech Machinery Division Chief Operating Officer of Sports Gear	Director of All Wells, Can Sports Cambodia, Dai Hoa Vietnam, Fireman	-	-	-	-
Vice President	Republic of China	Jack Wang	Male	2011/07/20	0	0	0	0	0	0	Department of Chemistry, Tunghai University Director of Feng Tay LF Business Department Senior VP of Ching Luh Indonesian Factory	Chairman of PT Can Sports Industrial Indonesia	-	-	-	-
Vice President	Republic of China	Cybill Wu (Note)	Female	2025/08/19	0	0	0	0	0	0	National Taiwan University - EMBA Executive Senior Vice President of Pou Chen Corporation	-	-	-	-	
Vice President	Republic of China	Weilly Chen (Note)	Male	2025/08/19	0	0	0	0	0	0	Department of Business Administration, Sun Yat-sen University Senior Vice President of Pou Chen Corporation	Director of PT Can Sports Industrial Indonesia	-	-	-	-
Special Assistant to the Chairman and Spokesperson	United States	Benjamin David Metcalf	Male	2020/09/29	0	0	36,000	0.02	00	0	Department of Communications/Sports Management, George Washington University Head Coach of Taoyuan Pauian Archiland Basketball Team	Director of Sports Gear Social Welfare Foundation	-	-	-	-
Corporate Governance Manager and Acting Spokesperson	Republic of China	Fu-Sheng Ku	Male	2020/09/29	6,000	0	0	0	00	0	LL.M, School of Law, Indiana University Bachelor's Degree in Law, College of Law, Tunghai University Secretary of the Board of Directors of Global Union Co., Ltd. (Corporate Governance Officer) Manager of Legal Department, Global Union Co., Ltd.	Executive Manager, Office of Legal Affairs, Sports Gear Co., Ltd. Taiwan Branch	-	-	-	-
Accounting Supervisor and Financial Officer	Republic of China	Vincent Kang	Male	2018/03/01	24,000	0.01	0	0	0	0	Department of Business Administration, Tunghai University Institute of Finance, Chung Cheng University Daan/Taishin Bank Corporate Finance Assistant Manager Deputy Planning Officer, Pou Chen Corporation Director of Overseas Business Center of 361 China Co., Ltd.	Director of Sports Gear Social Welfare Foundation	-	-	-	-
Audit Manager	Republic of China	Meg Hu	Female	2017/02/13	11,000	0.01	0	0	0	0	Department of Accounting, National Changhua University of Education Director of Audit Department, KPMG Taiwan Senior Manager of Internal Audit of Pou Chen Corporation	-	-	-	-	

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(Note) Vice Presidents Cybill Wu and Weilly Chen have also taken on the role of key manager on August 19, 2025.

II. Remuneration paid to directors, supervisors, presidents and vice presidents in the most recent year

(I) Remuneration of general directors and independent directors

December 31, 2025 Unit; NT\$ thousand

Title	Name	Director remuneration								Total remuneration (A+B+C+D) and as a percentage of net profit after tax				Remuneration to concurrent employees						Remuneration from non-consolidated affiliates or parent company, not including subsidiaries			
		Remuneration (A)		Severance pay and pension (B)		Director remuneration (C)		Business implementation expenses (D)		the Company		All companies in the Financial Report		Salary, bonuses, and special allowances (E)	Severance pay and pension (F)	Employee remuneration (G)			Total remuneration (A+B+C+D+E+F+G) and as a percentage of net profit after tax				
		the Company	All companies in the Financial Report	the Company	All companies in the Financial Report	the Company	All companies in the Financial Report	the Company	All companies in the Financial Report	Total	Ratio of total amount to net profit after tax	Total	Ratio of total amount to net profit after tax			the Company	All companies in the Financial Report	the Company	All companies in the Financial Report		Total	Ratio of total amount to net profit after tax	Total
Chairman	Patrick Chen	0	0	0	0	5,636	5,636	60	60	5,696	0.42	5,696	0.42	10,595	0	0	0	0	5,696	0.42	16,291	1.20	None
Director	Thomas Wang (Note)	0	0	0	0	2,255	2,255	60	60	2,315	0.17	2,315	0.17	0	0	0	0	2,315	0.17	2,315	0.17	None	
Director	Davis Cheng	0	0	0	0	2,255	2,255	60	60	2,315	0.17	2,315	0.17	0	0	0	0	2,315	0.17	2,315	0.17	None	
Director	Peter Shu (Note)	500	500	0	0	1,315	1,315	60	60	1,875	0.14	1,875	0.14	0	0	0	0	1,875	0.14	1,875	0.14	None	
Independent Director	Tzung-Chen Chen	1,200	1,200	0	0	0	0	60	60	1,260	0.09	1,260	0.09	0	0	0	0	1,260	0.09	1,260	0.09	None	
Independent Director	Leo Hong (Note)	700	700	0	0	0	0	40	40	740	0.05	740	0.05	0	0	0	0	740	0.05	740	0.05	None	
Independent Director	Grace Chen (Note)	700	700	0	0	0	0	40	40	740	0.05	740	0.05	0	0	0	0	740	0.05	740	0.05	None	
Director	Chia Lai Development Co., Ltd (Note)	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0.00	0	0.00	None	
	Representative: Thomas Wang (Note)	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0.00	0	0.00	None	
Director	Pure-Xu Real Estate Advertising Co., Ltd. (Note)	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	0	0	0	0.00	0	0.00	None	
	Representative: Thomas Lee (Note)	0	0	0	0	939	939	20	20	959	0.07	959	0.07	0	0	0	0	959	0.07	959	0.07	None	
Independent Director	Long-I Liao (Note)	500	500	0	0	0	0	30	30	530	0.04	530	0.04	0	0	0	0	530	0.04	530	0.04	None	

(Note) Following a full re-election at the shareholders' meeting on May 23, 2025, Director Thomas Wang, representative of Chia Lai Development Co., Ltd, Director Thomas Lee, representative of Pure-Xu Real Estate Advertising Co., Ltd., and Independent Director Long-I Liao stepped down, while Director Thomas Wang, Director Peter Shu, Independent Director Leo Hong, and Independent Director Jun-Man, Chen took office.

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(II) Supervisor remuneration: The Company does not have supervisors, so it is not applicable.

(III) Remuneration of the president and vice presidents

December 31, 2025 Unit: NT\$ thousand

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and special allowances (C)		Employee remuneration amount (D) (Note 2)				Total of (A+B+C+D) and as a percentage of net profit after tax (%)				Remuneration from non-consolidated affiliates or parent company, not including subsidiaries
		the Company	All companies in the Financial Report	the Company	All companies in the Financial Report	the Company	All companies in the Financial Report	the Company		All companies in the Financial Report		the Company		All companies in the Financial Report		
								Cash amount	Stock amount	Cash amount	Stock amount	Total	Ratio of total amount to net profit after tax	Total	Ratio of total amount to net profit after tax	
President	David Ma	20,750	40,495	0	404	15,663	17,602	3,711	0	3,711	0	40,124	2.97	62,212	4.60	None
Chief Operating Officer and Vice President	Nick Lin															
Vice President	Jack Wang															
Vice President	Cybill Wu															
Vice President	Weilly Chen															
Vice President	Juergen Hans Wormser (Note 1)															

Note 1: Vice President Juergen Hans Wormser will leave the Company on December 31, 2025, when his contract duration ends.

Note 2: On March 10, 2026, the board of directors approved the appropriation of NT\$38,153 thousand for employee remuneration for 2025. The amount allocated to individual managers, tentatively estimated, will be reviewed by the board of directors prior to its distribution.

(IV) Remuneration scale

Remuneration range paid to each president and vice president of the Company	Names of president and vice presidents	
	the Company	All companies in the Financial Report
Less than 1,000,000 NTD	Weilly Chen	
NT\$1,000,000 (inclusive) – NT\$2,000,000 (inclusive)	Cybill Wu	
NT\$2,000,000 (inclusive) – NT\$3,500,000 (inclusive)		Cybill Wu and Weilly Chen
NT\$3,500,000 (inclusive) – NT\$5,000,000 (inclusive)		
NT\$5,000,000 (inclusive) – NT\$10,000,000 (inclusive)	Ma David, Jack Wang	
NT\$10,000,000 (inclusive) – NT\$15,000,000 (inclusive)	Nick Lin, Juergen Hans Wormser	Jack Wang, Juergen Hans Wormser

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NT\$15,000,000 (inclusive) – NT\$30,000,000 (inclusive)		Ma David, Nick Lin
Total	6 persons	6 persons

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(V) Names of the managers to whom employee compensation is distributed and the distribution

December 31, 2025 Unit: NT\$ thousand

	Title	Name	Stock amount	Cash amount (Note 2)	Total	Raito of total amount to net profit after tax (%)
Manager	President	David Ma	0	5,046	5,046	0.37
	Chief Operating Officer and Vice President	Nick Lin				
	Vice President	Jack Wang				
	Vice President	Cybill Wu				
	Vice President	Weilly Chen				
	Special Assistant to the Chairman and Spokesperson	Benjamin David Metcalf				
	Corporate Governance Manager and Acting Spokesperson	Fu-Sheng Ku				
	Accounting Supervisor and Financial Officer	Vincent Kang				
	Audit Manager	Meg Hu				
	Vice President (Note 1)	Juergen Hans Wormser				

Note 1: Vice President Juergen Hans Wormser will leave the Company on December 31, 2025, when his contract duration ends.

Note 2: On March 10, 2026, the board of directors approved the appropriation of NT\$38,153 thousand for employee remuneration for 2025. The amount allocated to individual managers, tentatively estimated, will be reviewed by the board of directors prior to its distribution.

(VI) Analysis of the ratio of the total remuneration paid to the directors, supervisors, president, and vice presidents of the Company to the net profit after tax of only financial reports or individual financial reports in the most recent two years by the Company and all companies in the consolidated report, and explanation of the policies, standards, and combinations, as well as procedures for determining remuneration and its correlation with business performance and future risks

1. Analysis of the ratio of the total remuneration paid to the directors, supervisors, president, and vice presidents of the Company to the net profit after tax of only financial reports or individual financial reports in the most recent two years by the Company and all companies in the consolidated report

Unit: NT\$ thousand; %

Item	Ratio of total remuneration to net profit after tax in 2024				Ratio of total remuneration to net profit after tax in 2025			
	the Company		All companies in the Consolidated Report		the Company		All companies in the Consolidated Report	
	Total	Raito of total amount to net profit after tax	Total	Raito of total amount to net profit after tax	Total	Raito of total amount to net profit after tax	Total	Raito of total amount to net profit after tax
Director	18,280	1.14	28,895	1.81	16,430	1.22	27,025	2.00
President and Vice President	42,375	2.66	61,341	3.84	40,124	2.97	62,212	4.60

2. Remuneration policies, standards, and combinations, as well as procedures for determining remuneration and its correlation with business performance and future risks

A. Directors, supervisors

The Company has a Remuneration Committee, which follows the Remuneration Committee Organizational Rules and the "Regulations Governing the Remuneration of Directors" as the basis for evaluation. The committee is responsible for formulating and reviewing the policies, systems, standards, and structures of performance evaluation and remuneration of directors and managers; it also regularly assesses and sets the remuneration of directors and managers with reference industry standards. The Remuneration Committee and the Board of Directors regularly review and approve and give reasonable remuneration; performance evaluation and salary rationality are reviewed by the Remuneration Committee and the Board of Directors, who also review the remuneration system, standards, and structure whenever warranted by the actual operating conditions and relevant laws and regulations, so as to achieve a balance between the Company's sustainable operations and risk control.

B. President and Vice President

Managers' remuneration includes salary, bonuses, employee bonuses, and severance pay and pension, which are based on the position held, the responsibilities assumed, and the contribution to the Company, and are negotiated with reference to industry standards.

The amount of remuneration provided to the Company's managers is based on the duties, contributions, company operating performance for the year, and consideration of the Company's future risks; the amount is reviewed by the Remuneration Committee and submitted to the Board of Directors for resolution.

III. Corporate governance operations

(I) Operations of the Board of Directors

In 2025 and up to the printing date of the annual report, the board of directors have met 7 times (A), and the attendance (or attendance as non-voting participant) of directors and independent directors is as follows:

Title	Name	Attendance in person (or attendance as non-voting participant) [B]	Number of delegates who attended	Attendance in person (or attendance as non-voting participant) (%) [B/A]	Remarks
Chairman	Patrick Chen	7	-	100.00	Note: Thomas Lee, the representative for juristic-person director Pure-Xu Real Estate Advertising Co., Ltd., and independent director Long-I Liao stepped down following the full re-election of directors on May 23, 2025 at the annual shareholders' meeting, which meant that they were only required to attend 2 meetings.
Director	Thomas Wang	7	-	100.00	
Director	Davis Cheng	7	-	100.00	
Director	Peter Shu	7	-	100.00	
Independent Director	Tzung-Chen Chen	6	1	85.71	
Independent Director	Leo Hong	5	-	100.00	
Independent Director	Grace Chen	5	-	100.00	
Director	Pure-Xu Real Estate Advertising Co., Ltd. Representative: Thomas Lee (Note)	2	-	100.00	
Independent Director	Long-I Liao (Note)	2	-	100.00	

Other disclosures:

- I. If the operation of the Board of Directors has any of the following circumstances, the date, period, content of the proposal, all independent directors' opinions and the Company's handling of independent directors' opinions must be stated.
 - (I) Relating to the provisions of Article 14-3 of the Securities and Exchange Act:
The Company has set up an audit committee; see the operation status of the audit committee.
 - (II) In addition to the previous issues, other board resolutions to which there is opposition or qualified opinions from independent directors and for which there exist records or written statements.
The operation of the Company's Board of Directors does not have any of the above-mentioned circumstances.
- II. As for director's recusals in proposals where there exists a stakeholder interest, the name of the director, the content of the proposal, the reason for the recusal due to stakeholder interest, and the circumstances of participation in voting must be stated:

Board meeting date	Recused Director's Name	Proposal content	Reasons for recusal	Participation in voting
March 5, 2025	Patrick Chen Thomas Wang, representative of Jialai Development Co., Ltd. Thomas Lee, Representative of Pure-Xu Real Estate Advertising Co., Ltd. Davis Cheng	The proposal of employee remuneration and director remuneration for 2024.	Director is an interested party in the compensation case	Except for the recusal of the directors mentioned in the preceding, the acting chairman passed the proposal without objection after consultation with the remaining directors present.
August 19, 2025	Patrick Chen Thomas Wang Davis Cheng Peter Shu	Assess the Company's 2024 director and manager salary and remuneration policies, systems, standards, and structures, and review the director and manager salary and remuneration proposals.	Director is an interested party in the directors' remuneration proposal	Except for the recusal of the directors mentioned in the preceding, the acting chairman passed the proposal without objection after consultation with the remaining directors present.
December 23, 2025	Patrick Chen	Proposal on the acquisition of right- of-use assets (renewal of plant lease) by Cambodian sub-subsidiary Can Sports Shoes Co., Ltd.	The director was a related party in the acquisition of right- of-use asset case	Except for the recusal of the directors mentioned in the preceding, the acting chairman passed the proposal without objection after consultation with the remaining directors present.
March 10, 2025	Patrick Chen Thomas Wang Davis Cheng Peter Shu	The proposal of employee remuneration and director remuneration for 2025.	Director is an interested party in the compensation case	Except for the recusal of the directors mentioned in the preceding, the acting chairman passed the proposal without objection after consultation with the remaining directors present.

III. A TWSE/TPEX listed company shall disclose the evaluation cycle and period, evaluation scope, method and content of the self- (or peer) evaluation of the Board of Directors, and complete the board evaluation implementation status:

(I) Evaluation cycle and period, evaluation scope, method and content of the self- (or peer) evaluation of the Board of Directors

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Conducted once a year	2025/1/1~ 2025/12/31	Board of Directors, individual board members, and functional committees	Internal self- evaluation by the Board of Directors and self-evaluation by the board members	I. The Board of Directors evaluates the following aspects: 1. Participation in the

				<p>operation of the Company</p> <p>2. Improvement in the quality of board decisions</p> <p>3. Board composition and structure</p> <p>4. Selection and continuing education of directors</p> <p>5. Internal control</p> <p>II. The board members evaluate the following aspects:</p> <p>1. Understanding of corporate objectives and missions</p> <p>2. Awareness of directors' duties and responsibilities</p> <p>3. Participation in the operation of the Company</p> <p>4. Internal relationship management and communication</p> <p>5. Expertise and continuing education of directors</p> <p>6. Internal control</p> <p>III. The functional committees evaluate the following aspects:</p> <p>1. Participation in the</p>
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				operation of the Company 2. Awareness of duties and responsibilities of the functional committees 3. Improvement in the quality of functional committee decisions 4. Functional committee composition and selection of members 5. Internal control
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(II) The results of the performance evaluation for 2025 are as follows (out of 5 points):

1. Performance evaluation of the Board of Directors

Item	Question no.	Average score
A. Participation in the operation of the Company	12	4.17
B. Improvement in the quality of board decisions	12	4.08
C. Board composition and structure	7	4.57
D. Selection and continuing education of directors	7	4.00
E. Internal control	7	4.86

2. Performance evaluation of the board members:

Item	Question no.	Average score
A. Understanding of corporate objectives and missions	3	4.05
B. Awareness of directors' duties and responsibilities	3	5.00
C. Participation in the operation of the Company	8	4.27
D. Internal relationship management and communication	3	4.43
E. Expertise and continuing education of directors	3	5.00
F. Internal control	3	4.43

3. Performance evaluation of the functional committees:

Item	Question no.	Average score
A. Participation in the operation of the Company	4	4.5
B. Awareness of duties and responsibilities of the functional committees	8	4.25
C. Improvement in the quality of functional committee decisions	7	4.14
D. Functional committee composition and selection of members	4	4.00
E. Internal control	3	4.33

(III) Conclusion:

According to the results of the performance evaluation of the board of directors for 2025, each evaluation indicator is medium to high, which indicates that the board of directors and the functional committees of the Company are operating well and meeting the requirements of corporate governance.

IV. The goals of improving the professional competencies of the Board of Directors (e.g., establishing the Audit Committee and improving the transparency of information) in the current year and recent years and assessment of implementation:

- (I) The Company has formulated the "Rules of Procedure for the Board of Directors' Meetings" of the Company in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance. In addition, the Company has set up a compensation committee that is responsible for implementing recommendation, evaluation, and supervision of the Company's overall compensation policy, manager compensation standards, employee remuneration, and other employee incentive plans.
- (II) In order to strengthen corporate governance, improve the supervisory responsibilities of the Board of Directors, and strengthen the management of the Board of Directors, the Board of Directors has formulated the "Audit Committee Organizational Rules" and established an audit committee.
- (III) The Company is required by law to disclose relevant information on the Company's website and the Market Observation Post System (MOPS) to enhance information transparency.
- (IV) The Company has in 2025, disclosed and published the 2024 ESG Sustainability Report in the Company's website and the Market Observation Post System.

(II) The operation of the audit committee or the participation of the supervisor in the operations of the Board of Directors

The Company has three independent directors serving as members of the audit committee. In 2025 and up to the printing date of the annual report, the audit committee has held a total of 6 meetings [A] (Note), and the attendance (or attendance as non-voting participant) of independent directors is as follows:

Title	Name	Attendance in person [B]	Number of delegates who attended	Attendance in person rate [B/A]	Remarks
Independent Director	Tzung-Chen Chen	5	1	83.33%	Note: After the full re-election of directors at the annual shareholders meeting on May 23, 2025, independent directors Long-I Liao and Peter Shu stepped down, requiring them to only attend 2 meetings. Independent directors Leo Hong and Chen Jun-Man took office, requiring them to attend 4 meetings.
Independent Director	Leo Hong	4	-	100.00%	
Independent Director	Grace Chen	4	-	100.00%	
Independent Director	Long-I Liao (Note)	2	-	100.00%	
Independent Director	Peter Shu (Note)	2	-	100.00%	

Other disclosures:

I. If the operation of the audit committee has any of the following circumstances, the audit committee meeting's date, period, content of the proposal, independent directors' objections, reservations or major proposal items, results of the audit committee's resolution, and the Company's handling of the audit committee's opinions shall be stated:

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Matters listed in Article 14-5 of the Securities and Exchange Act shall be reported to the Board of Directors after the approval of the Audit Committee.

Audit Committee meeting date and term	Proposal content	Audit committee resolution results	The Company's handling of the audit committee's opinions
March 5, 2025 14th meeting of the second term	<ol style="list-style-type: none"> (1) Individual financial statement for 2024. (2) Business report and consolidated financial report for 2024. (3) Proposal to change the certified public accountants in line with the rotation requirements of Deloitte Taiwan in accordance with the law. (4) Appraisal of the independence and competence of CPAs. (5) Review of CPA fees. (6) 2024 surplus distribution proposal. (7) Appraisal of the effectiveness of the internal control system and the statement on the internal control system for 2024. (8) Amendment to some articles of the Company's "Regulations Governing Financial Business Among Affiliates". (9) Acquisition of land Lot No. 185, Yongfu 	Approved by all members in attendance.	Proposal passed.

	<p>Section, Nantun, by Silk Invest International Co., Ltd.</p> <p>(10) Liquidation of German affiliate, Footwear Innovation Lab GmbH (FiL).</p> <p>(11) Ratification of the acquisition or disposal of assets among the related parties from October to December 2024.</p> <p>(12) Inter-affiliate fund loan.</p> <p>(13) Application to financial institutions for loan limit renewal.</p>		
May 6, 2025 15th meeting of the second term	<p>(1) Consolidated financial report for the first quarter of 2025.</p> <p>(2) Ratification of the acquisition or disposal of assets among the related parties from January to March 2025.</p> <p>(3) Inter-affiliate fund loan.</p> <p>(4) Application to financial institutions for loan limit increase and contract renewal.</p> <p>(5) Acquisition or disposal of assets by Indonesian company PT Can Sports Industrial Indonesia.</p> <p>(6) Acquisition or disposal of assets by Portuguese company, SGP - Sports Gear Portugal, S.A.</p>	Approved by all members in attendance.	Proposal passed.
August 19, 2025 1st meeting of the third term	<p>(1) Consolidated financial report for the second quarter of 2025.</p> <p>(2) Ratification of the acquisition or disposal of assets among the related parties from April to June 2025.</p> <p>(3) Disposal of right-of-use assets by Cambodian subsidiary Fireman Factory Co., Ltd. (early lease termination).</p> <p>(4) Ratification of acquisition of right-of-use assets by Sports Gear Co., Ltd. (renewal of lease for 9C office).</p> <p>(5) Ratification of acquisition of right-to-use assets (\$450 vehicle lease) by Sports Gear Co., Ltd. Taiwan Branch.</p> <p>(6) Ratification of acquisition of right-of-use assets (increase to new land lease area for printing plant) by Vietnamese subsidiary Can Sports Vietnam Co., Ltd.</p> <p>(7) Proposal on the acquisition of real estate by Vietnamese subsidiary Dai Hoa Co., Ltd. (Binh Thuan plant construction project).</p> <p>(8) Inter-affiliate fund loan.</p> <p>(9) Application to financial institutions for loan limit increase and contract renewal.</p>	Approved by all members in attendance.	Proposal passed.
November 11, 2025 Second meeting of the third term	<p>(1) Consolidated financial report for the third quarter of 2025.</p> <p>(2) Ratification of the acquisition or disposal of assets among the related parties from July to September 2025.</p> <p>(3) Acquisition or disposal of assets by Indonesian company PT Can Sports Industrial Indonesia.</p> <p>(4) Inter-affiliate fund loan.</p>	Approved by all members in attendance.	Proposal passed.
December 23, 2025	<p>(1) 2026 Business Plan and Budget.</p> <p>(2) 2026 Audit Plan.</p>	Approved by all	Proposal passed.

Third meeting of the third term	<ul style="list-style-type: none"> (3) Pre-approval of non-assurance services by audit firm. (4) Proposal on the acquisition of right-of-use assets (plant lease) by Cambodian sub-subsidiary Can Sports Shoes Co., Ltd. (5) Proposal on the liquidation and closing of China Zhihui Fujian Co., Ltd. (6) The Company intends to increase cash capital in the Seychelles subsidiary, Elephant Step Co., Ltd., through debt conversion. (7) Inter-affiliate fund loan. 	members in attendance.	
March 10, 2026 Fourth meeting of the third term	<ul style="list-style-type: none"> (1) Individual financial statement for 2025. (2) Business report and consolidated financial report for 2025. (3) Appraisal of the independence and competence of CPAs. (4) Review of CPA fees. (5) 2025 surplus distribution proposal. (6) Appraisal of the effectiveness of the internal control system and the statement on the internal control system for 2025. (7) Revision of the Group's internal control system and management regulations. (8) Ratification of the acquisition or disposal of assets among the related parties from October to December 2025. (9) Proposal on subsidiaries Elephant Step Co., Ltd. and Fongyuan International Co., Ltd. making a capital increase by cash in Indonesian sub-subsidiary PT Can Sports Industrial Indonesia. (10) Acquisition of assets by Indonesian company PT Can Sports Industrial Indonesia. (11) Proposal on Silk Invest International Co., Ltd. increasing investment into SGP-Sports Gear Portugal, S.A. by 10 million euros. (12) Disposal of right-of-use assets by Zhihui Co., Ltd. (early termination of lease). (13) Inter-affiliate fund loan. (14) Application to financial institutions for loan limit increase or contract renewal. (15) Proposal on the Company providing an endorsement guarantee for PT Can Sports Industrial Indonesia. 	Approved by all members in attendance.	Proposal passed.

(II) In addition to the above matters, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire board of directors:

The operation of the Audit Committee of the Company does not entail the foregoing.

II. As for independent director's recusals in proposals where there exists a stakeholder interest, the name of the independent director, the content of the proposal, the reason for the recusal due to stakeholder interest, and the circumstances of participation in voting must be stated: No such situation.

III. Communication status between independent directors and internal audit managers and accountants (should include major matters, methods, and results of communication on the Company's financial and business conditions): The Company's "Rules and Procedures for Board of Directors Meetings" and "Audit Committee Organizational Rules" have specified that when holding a meeting, the Company may, as necessary for the agenda items of the meeting,

notify the managers of the relevant departments, internal auditors, accountant, legal advisor or other personnel to attend the meeting as nonvoting participants; independent directors or the audit committee may liaise with the certified public accountants through the Company or personally. The audit manager reported the actual implementation of the audit plan according to plan, and communicated well with the independent directors. The certified public accountants appointed by the Company to audit the financial statements communicate with the audit committee on an annual basis on the audit plan and audit results of the financial statements. In 2025 and as of the printing date of the annual report, the certified public accounts attended 5 review meetings of the financial statements convened by the audit committee. Accountants participated as non-voting delegates in the Board of Directors to express their review opinions on matters such as financial reports and internal control review, and fully communicated with independent directors.

(III) Corporate Governance Execution Status and Deviations from Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies

Evaluation items	Operating status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
I. Does the Company abide by the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies in the establishment and disclosure of its Corporate Governance Best Practice Principles?	✓		The Company has formulated the Corporate Governance Best Practice Principles, and all governance practices will be carried out in accordance with the Principles.	No major discrepancies.
II. Company shareholding structure and shareholders' equity				
(I) Has the Company established internal operating procedures to handle shareholder suggestions, doubts, disputes, and litigation matters, and does the Company implement them in accordance with the procedures?	✓		(I) In addition to the Company's Articles of Incorporation and internal rules, the Company has stipulated matters for the protection of shareholders' interests, and also has a dedicated unit (a spokesperson or acting spokesperson) responsible for handling matters related to the Company's investor relations, so as to properly handle shareholder suggestions, doubts, and disputes.	No major discrepancies.
(II) Does the Company possess a list of major shareholders and ultimate owners of these major shareholders?	✓		(II) The Company understands the changes in the list of major shareholders and ultimate owners of these major shareholders through investor relations maintenance and insider reporting systems.	No major discrepancies.
(III) Has the Company established a risk management mechanism and "firewall" against its affiliates and implemented it?	✓		(III) The Company and its affiliates have established the "Internal Control System," "Management Guidelines for the Authorization of Duties and Agents," "Management Guidelines for Related-Party Transactions," "Regulations Governing Financial Business Among Affiliates," "Guidelines for the Supervision of Subsidiaries," "Procedures for the Acquisition or Disposal of Assets," "Procedures for Extending Loans to Others," and "Procedures for Endorsements and Guarantees" to standardize the management of its	No major discrepancies.

Evaluation items	Operating status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
(IV) Has the Company formulated internal regulations to prevent its insiders from trading securities based on information yet to be made public?	✓		<p>personnel, assets, and finances, and shall be able to effectively assess risks and establish appropriate firewalls.</p> <p>(IV) The Company has established the “Management Guidelines for the Prevention of Insider Trading” to regulate the confidentiality of the Company’s material insider information and trading prohibition procedures, in order to prevent insider trading and educate insiders about the relevant laws and regulations. In 2025, we have notified Company insiders one week before the trading prohibition period for each quarter begins.</p>	No major discrepancies.
<p>III. The composition and responsibilities of the Board of Directors</p> <p>(I) Does the Board of Directors draw up and implement the diversity policy and specific management objectives?</p> <p>(II) In addition to the Remuneration Committee and the Audit Committee set up according to law, does the Company have other types of functional committees in place that it set up at its own discretion?</p> <p>(III) Has the Company formulated guidelines and methods for board of directors performance evaluation, does it conduct annual and regular</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company has established the "Regulations Governing the Election of Directors," which requires the composition of the Board of Directors to emphasize diversity and requires Board members to generally possess the knowledge, skills, and literacy necessary for performing their duties, and has implement the Regulations. For more details, please refer to Chapter III, Corporate Governance Report 6. Diversity and Independence of the Board within the 2025 Annual Report.</p> <p>(II) The Company has established a Remuneration Committee and an Audit Committee in accordance with the law. The Company has established a Sustainable Development Committee in November 2024, which convenes a meeting at least twice a year.</p> <p>(III) To implement corporate governance and improve the functions of the Company’s board of directors, and establish performance goals to strengthen the board of directors’ operational efficiency, the Company established the “Rules and Procedures for Board of Directors</p>	<p>No major discrepancies.</p> <p>No major discrepancies.</p> <p>No major discrepancies.</p>

Evaluation items	Operating status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
<p>performance evaluations, and does it report the results of such evaluations to the Board of Directors and use them as a reference for remuneration and nomination for re-election of individual directors?</p> <p>(IV) Does the Company regularly assess the independence of its CPAs?</p>	✓		<p>Performance Assessments”, and completed 2025 directors performance assessment in March 2026. The assessment results have been submitted to the board of directors on March 10, 2026, and are used as reference in determining compensation for individual directors and committee members, their nomination and additional office term, as well as making improvements on areas to be strengthened.</p> <p>(IV) The Company’s Audit Committee conducts annual regular evaluation on the independence and suitability of the certified public accountants and submits the evaluation results to the board of directors. The 2026 evaluation was approved by the Audit Committee on March 10, 2026, and submitted to and approved by the board of directors on March 10, 2026.</p> <ol style="list-style-type: none"> 1. The Company’s evaluation mechanism references Article 47 of the Certified Public Accountant Act and “Professional Ethics Regulations Bulletin No. 10 Integrity, Objectivity and Independence” of the National Federation of CPA Associations of ROC as follows: <ol style="list-style-type: none"> (1). Confirm that the Company's certified public accountants and members of the Audit Committee are not related parties to the Company, directors and managers. (2). Confirm that the Company's certified public accountants and members of the Audit Committee have not accepted gifts that exceed the standard of social norm from the Company, directors, managers or major shareholders. (3). Confirm that the Company’s certified public accountants and members of the Audit Committee have conducted necessary independence/conflict of interest procedures, and no incidents of violation of independence or unresolved conflict of interest have been identified. (4). In compliance with the regulations of the 	No major discrepancies.

Evaluation items	Operating status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
			<p>Corporate Governance Best Practice Principles, conduct rotation of the certified public accountants.</p> <p>(5). Approval from the Audit Committee has been obtained for the appointment of the audit firm for the annual audit and other cases.</p> <p>(6). When the certified public accountants audit the annual and half-year reports, report to the Audit Committee the content and independence of conducting the audit/review, and other compliance status.</p> <p>(7). Regularly obtain the Declaration of Independence from the certified public accountants.</p> <p>(8). Obtain from the audit firm, information of the 13 audit quality indicators (AQIs) in 5 scopes provided in the Audit Quality Indicators (AQIs) Disclosure Template for the Big 4 accounting firms, and according to the “Guidance on Interpretation of Audit Quality Indicators (AQIs) by Audit Committees” released by the competent authority, evaluate the audit quality of the accounting firm and the audit team.</p> <p>2. Evaluation results:</p> <p>(1). Comply with the relevant regulations such as the Certified Public Accountant Act and Professional Ethics Regulations for Accountants, and the certified public accountants are independent from the Company.</p> <p>(2). The Company has not appointed the same certified public accountant for seven consecutive years.</p> <p>(3). According to the Audit Quality Indicators (AQI), the certified public accountants are timely, appropriate and competent in providing the Company with various financial, tax consultation and audit services.</p>	
IV. Does the TWSE/TPEX	✓		The Company has set up the Secretariat Office of the	No major

Evaluation items	Operating status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
listed company have a corporate governance unit and sufficient staff as well as a corporate governance officer responsible for corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, assisting the board and supervisors in legal compliance, organizing board meetings and annual general meetings as required by law, and compiling minutes of board meetings and annual general meetings) on a full-time or part-time basis?			Board of Directors to serve as corporate governance officers, and there are currently 5 members. On September 29, 2020, the board of directors passed a resolution to appoint a chief corporate officer to be responsible for handling the corporate governance related matters.	discrepancies.
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and a special area for stakeholders on the Company website, and does it respond appropriately to important CSR issues of stakeholder concern?	✓		(I) The Company has spokespersons and acting spokespersons that act as channels through which the Company expresses opinions to the public, and it handles related response in accordance with its internal control system. (II) The Company has set up a convenient website on the Internet on which company financial business information and corporate governance information may be found for the reference of shareholders and stakeholders. At the stakeholder corner, the contacts for the various stakeholders are published, and there are topics such as corporate social responsibility and corporate sustainable development. To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, in detail and updated timely.	No major discrepancies.
VI. Does the Company hire professional stock	✓		The Company has appointed Yuanta Securities as a stock affairs agency to handle the affairs of the shareholders' meeting.	No major discrepancies.

Evaluation items	Operating status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
agencies to handle shareholders' meetings affairs?				
VII. Information disclosure				
(I) Has the Company established a website on which to disclose financial business and corporate governance information?	✓		(I) The Company has established a corporate website to disclose the Company's financial business information and corporate governance information for the reference of shareholders and stakeholders.	No major discrepancies.
(II) Does the Company adopt other methods of information disclosure (such as setting up an English website, appointing a special person to be responsible for the collection and disclosure of Company information, implementing a spokesperson system, placing the Company's investor seminars on the Company website)?	✓		(II) Company-related questions are answered by the spokesperson or acting spokesperson, while the relevant business department, the spokesperson or acting spokesperson is responsible for the collection and disclosure of company information; and a corporate website has been established on which to place Company information.	No major discrepancies.
(III) Does the Company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the financial report for the first, second and third quarters and the operating conditions of each month before the prescribed deadlines?	✓		(III) The Company currently announces and reports its annual financial statements, first, second and third quarter financial statements, and monthly operations in compliance with the prescribed deadlines, and does not make any early announcements. However, in order to enhance the timeliness and transparency of financial information disclosures, allowing investors to more quickly grasp the Company's profit dynamics, the Company voluntarily discloses self-reported profit and loss figures before the official quarterly financial report is published.	No major discrepancies.
VIII. Does the Company have other important information to facilitate better understanding of its corporate governance practices (including without limitation	✓		1. Employee rights: The Company's employer-employee relations are harmonious, and the legitimate rights and interests of employees are guaranteed in accordance with labor laws and local regulations. The Company has not had any major labor disputes, and has not been penalized by the competent authority due to major labor issues or	No major discrepancies.

Evaluation items	Operating status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
employee rights, employee care, investor relations, 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>major violations of labor laws.</p> <p>2. Employee care: The Company provides employees with reasonable remuneration and various bonuses. Factories have established labor unions in accordance with local state laws and organizes various employee benefits. The factories distribute gifts for important festivals (Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival). Colleagues are given birthday gifts on their birthdays, and there are various welfare measures, such as various activities, irregular group health activities or group dinners, travel subsidies, wedding and funeral subsidies, and emergency relief subsidies. Establish a good relationship of mutual trust and dependence between employees and employers.</p> <p>3. Investor Relations: The Company has set up a corporate website and spokesperson system, and has established a smooth communication channel to ensure the rights and interests of investors.</p> <p>4. Supplier relations: The Company upholds ethical corporate management, conducts fair transactions with suppliers, and maintains long-term good relationships of cooperation.</p> <p>5. Stakeholder Rights: In order to protect the rights and interests of stakeholders, the Company has established a variety of favorable communication channels that are clear and unobstructed, upholds the principle of integrity and a responsible attitude when handling such matters, and fulfills its corporate social responsibilities.</p> <p>6. Continuing education of the Company's directors and supervisors: The Company has set up an audit committee to replace the function of supervisors. All directors of the Company have professional backgrounds, and they all engage in courses covering securities laws and regulations and corporate governance, and meet the requirements for training hours, in accordance with the "Guidelines for the Implementation of Continuing Education Directors and Supervisors of Listed Companies."</p>	

Evaluation items	Operating status			Discrepancies from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
			<p>7. Implementation of risk management policies and risk measurement standards: The Company formulates various internal regulations in accordance with the law and conducts various types of risk management and assessment.</p> <p>8. The implementation of customer-related policies: The Company has a dedicated department responsible for customer inquiry and appeal channels, and creates profit for the Company through its maintenance of stable and good relationships with customers.</p> <p>9. Purchase of liability insurance by the Company for its directors and supervisors: The Company has stipulated regulations on directors' liability insurance in the "Corporate Governance Best Practice Principles" and has purchased liability insurance for directors to reduce and diversify the risk of material damage to the Company's shareholders resulting from director error or negligence.</p>	
<p>IX. Explain the improvements made for corporate governance evaluation results announced by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and propose priority items for betterment and measures for those items which have not yet improved (companies not included in the evaluated do not need to complete this):</p> <p>In order to improve corporate governance, the Company has made the following improvements in 2025:</p> <ol style="list-style-type: none"> 1. The Company regularly conducts employee satisfaction surveys, and discloses corporate governance implementation and improvement plans on the Company's website. 2. The Company has published our 2024 Sustainability Report, and obtained an assurance report from a third party. The Board of Directors approved the report on August 19, 2025 through a resolution, and the report was published on the Market Observation Post System and the Company's website at the end of August 2025. <p>In the future, the Company will continue to strengthen corporate governance and corporate sustainability development.</p>				

(IV) If the Company has a Remuneration Committee, it should disclose its composition and operations

1. Profile of Remuneration Committee Members

March 31, 2026

Identity	Name	Conditions	Professional qualifications and experiences	Independence	Number of other public companies in which the committee member also serves as a remuneration committee member
Independent Director	Tzung-Chen Chen	He has skills and working experience in legal affairs and crisis management. He has passed the national examination and is qualified as a lawyer and is a certified professional and technologist. He is a member of the Company's Remuneration Committee and Audit Committee, and has served as a judge of the Supreme Court, Director of the Judicial Administration Department of the Judicial Yuan, and President of the Shihlin District Court. His expertise in law provides advice on risk management, legal strategy, compliance and management decisions. There are no circumstances as described in Article 30 of the Company Act.	An independent director, in accordance with the circumstances of independence, including but not limited to not being a director, supervisor, or employee of the Company or its affiliates, including himself/herself, his/her spouse, and relatives within the second degree of kinship. Does not hold any shares of the Company. Not a director, supervisor, or employee of a company with which the Company has a specific relationship. No remuneration for providing business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	0	
Independent Director	Leo Hong	He possesses professional working experience in finance, accounting, banking, internal auditing, and crisis management. His financial accounting expertise allows him to help the Board of Directors enhance their corporate governance capabilities and improve supervision over the Company's various committees.	An independent director, in accordance with the circumstances of independence, including but not limited to not being a director, supervisor, or employee of the Company or its affiliates, including himself/herself, his/her spouse, and relatives within the second degree of kinship.	0	

Identity	Name	Conditions	Professional qualifications and experiences	Independence	Number of other public companies in which the committee member also serves as a remuneration committee member
		There are no circumstances as described in Article 30 of the Company Act.	Does not hold any shares of the Company. Not a director, supervisor, or employee of a company with which the Company has a specific relationship. No remuneration for providing business, legal, financial, or accounting services to the Company or its affiliates in the last two years.		
Independent Director	GraceChen (Convener)	He is professionally qualified as a Certified Public Accountant and possesses professional accounting work experience, in line with the Board of Director's core competencies including financial accounting, business management, and leadership decision-making.	An independent director, in accordance with the circumstances of independence, including but not limited to not being a director, supervisor, or employee of the Company or its affiliates, including himself/herself, his/her spouse, and relatives within the second degree of kinship. Does not hold any shares of the Company. Not a director, supervisor, or employee of a company with which the Company has a specific relationship. No remuneration for providing business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	2	

2. Operation of the Remuneration Committee

- (1). There are 3 members of the Company's Remuneration Committee.
- (2). Terms of the current members: From May 23, 2025 to May 22, 2028, the Remuneration Committee met 3 times in 2025 and up to the date of publication of the annual report [A]. The qualifications and attendance of the members are as

follows:

Title	Name(Note)	Attendance in person [B]	Number of delegates who attended	Attendance in person rate% [B/A]	Remarks
Independent Director	Tzung-Chen Chen	2	1	66.67	Note: After the full re-election of directors at the annual shareholders meeting on May 23, 2025, independent directors Long-I Liao and Peter Shu stepped down, requiring them to only attend 1 meeting. Independent directors Leo Hong and Chen Jun-Man took office, requiring them to attend 2 meetings.
Independent Director	Leo Hong	2	-	100.00	
Independent Director (Convener)	Grace Chen	2	-	100.00	
Independent Director	Long-I Liao	2	-	100.00	
Independent Director	Peter Shu	2	-	100.00	
Other disclosures:					
I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it shall state the date of the Board of Directors meeting, period, proposal content, results of resolutions of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee (if the compensation approved by the Board of Directors is better than the recommendations of the Remuneration Committee, such differences and reasons for which should be stated): No such situation.					
II. As to the resolutions of the Remuneration Committee, if there is opposition or qualified opinions from members for which there exist records or written statements, the Remuneration Committee meeting date, period, proposal content, all members' opinions, and the handling of opinions should be stated: No such situation.					

(V) -1 Promotion of sustainable development and discrepancies between the performance and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Evaluation items	Operating status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
I. Has the Company set up a governance structure and a dedicated (part-time) unit for sustainable development, handled by senior management with the authorization of the Board of Directors and supervised by the Board of Directors?	✓		<p>The highest governance body of the Company's climate-related issues is the board of directors, who is responsible for guiding and supervising climate-related risks and opportunities. In 2025, together with the full re-election of the Board of Directors, the Company adjusted the composition of the Committee as it entered its second term. The Company's Chairman, President, and all newly-elected directors served as members of the Committee, ensuring its independence and professionalism. At the same time, to ensure that the Committee is able to hear the opinions of each of the Company's business managers and supervisors, the vice presidents from each business unit, supervisors of each headquarters center, highest manager overseeing each plant, and the heads of each administration office, as well as other relevant managers, all attended the Committee meeting. This ensured that the Committee's resolutions aligned with the actual operations at each plant, and that they were properly communicated to each business unit for implementation. The Committee, with the authorization of the board of directors, shall exercise the care of a good administrator to faithfully perform the following duties and report to the board of directors.</p> <p>I. Formulate, promote and strengthen the Company's sustainable development policies, annual plans and strategies.</p> <p>II. Review, track and revise the implementation status and effectiveness of sustainable development.</p> <p>III. Supervise the disclosure of sustainable information and review the sustainable report.</p> <p>IV. Supervise the implementation of the</p>	No major discrepancies.

Evaluation items	Operating status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
			<p>Company's sustainable development code of conduct or other sustainable development related work approved by the board of directors.</p> <p>The Committee shall meet at least twice a year and may meet at any time as necessary.</p> <p>The Sustainability Committee convened on May 20, 2025, August 19, 2025 and March 10, 2026, and reported on the implementation of sustainable development measures to the Board of Directors on March 10, 2026.</p>	
<p>II. Does the Company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies based on the principle of materiality?</p>	✓		<p>In accordance with the Global Reporting Initiative (GRI) standards, Sustainability Accounting Standards Board (SASB) standards, and international policies, the Company has established a materiality identification principle, and conducts a four-step sustainability issue assessment, including engagement, identification, analysis and review, to comprehensively consider and identify the sustainability issues that have a significant impact on "Sports Gear Co., Ltd." and "on the external economy, environment, governance and society" for the year. The Company prioritizes issues for disclosure and ESG management based on the results of this assessment. Please refer to the Company's Sustainability Report for more detailed information.</p>	No major discrepancies.
<p>III. Environmental issues</p> <p>(I) Has the Company built proper environmental management systems based on the characteristics of their industries in place?</p>	✓		<p>(I) The Company's factories comply with local environmental laws and regulations, as well as customers' factory environmental management requirements, and pass customers' factory audits every year. The plants belonging to Chi Hung Co., Ltd., Can Sports Shoes Co., Ltd., All Wells International Co., Ltd., and Can Sports Vietnam Co., Ltd. have also obtained ISO14001 Environmental Management Systems certification.</p>	No major discrepancies.

Evaluation items	Operating status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
(II) Does the Company strive to improve energy efficiency and use renewable materials that have a low impact on the environment?	✓		<p>(II) In order to reduce the negative environmental impact during operations, the Company works with each plant in carrying out energy-saving actions and strategic planning to reduce energy use and consumption.</p> <p>Human resources input: Increase the number of energy management personnel and committee members so that the factory can receive timely maintenance or management in energy use, inspection and exception handling.</p> <p>Recycled materials:</p> <ol style="list-style-type: none"> 1. Recycled rubber powder is added during the production of the outsole. 2. Different proportions of recycled materials are used based on the product, including PU artificial leather and fabrics in the fabric. <p>The Company works together with customers and suppliers to use recycled materials in production, and will gradually complete the renewal procedures for ISCC Plus certification from late 2025 to early 2026.</p>	No major discrepancies
(III) Does the Company evaluate the potential risks and opportunities of climate change with regard to the present and future of its business, and take appropriate response measures?	✓		<p>(III) With regards to the management of climate change issues, the Company references Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB), and based on the disclosure framework such as "governance," "strategies," "risk management," and "indicators and targets", identify climate change risks and opportunities that are of concern to the Company, so as to manage and respond to the material financial impact due to climate change. Please refer to the Sustainability Report for the potential risks and opportunities, and corresponding response measures adopted.</p>	No major discrepancies

Evaluation items	Operating status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
(IV) Has the Company taken inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and drawn up policies on greenhouse gas reduction, water use reduction, or waste management?	✓		(IV) The Company monitors greenhouse gas emissions pursuant to the GHG Protocol or ISO 14064-1:2018 standard. Each plant belonging to the Group has established “Management Procedure for Water Pollution Prevention” and water resources management goals, aiming to conserve and reduce water usage, recycle water, and legally dispose of wastewater. Waste management is carried out in accordance with local government laws and regulations and customer needs; reduction, legally compliant disposal and recycling and reuse are achieved, in order to reduce the impact on the environment. Please refer to the Sustainability Report for data on greenhouse gas emissions, water consumption, and total waste weight, as well as the Company’s resource use reduction and management policies.	No major discrepancies
IV. Social issues (I) Does the Company comply with relevant laws and regulations and internationally recognized covenants on human rights, and does it have relevant management policies and procedures in place?	✓		(I) The Company complies with the Fair Labor Association Code of Conduct (FLA) and the core labor conventions of the International Labour Organization (ILO). Each of our plants have established various management systems and standards in accordance with local labor laws and regulations, including personnel management rules and work rules. The Company has also established internal control systems for the payroll cycle pursuant to regulations, complies with labor laws and basic labor human rights principles, and protects the legitimate rights and interests of employees. The factories have established labor unions in accordance with local laws and regulations, and will organize various employee benefits to ensure employee-employer harmony.	No major discrepancies.
(II) Does the Company establish and implement reasonable employee benefits (including compensation, leave, and other benefits), and ensure business	✓		(II) The Company has formulated a reasonable remuneration plan, and together with the employee performance evaluation system and company policies, it helps to clearly distinguish rewards and punishment,	No major discrepancies.

Evaluation items	Operating status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
performance or results are reflected adequately in employee compensation?			thereby ensuring the fairness and reasonableness of the remuneration. The Company has established a Remuneration Committee responsible for recommending, evaluating and monitoring the Company's overall remuneration policy, including the management's remuneration scale, employee remuneration and other incentive plans, so as to ensure a sound operation of the Company's welfare, remuneration and other systems.	
(III) Does the Company provide its employees with safe and healthy workplaces, and organize training on safety and health for its employees on a regular basis?	✓		(III) Providing employees with a safe, healthy and happy working environment is the Company's business philosophy and core value. New employees are required to receive occupational safety and health education and training when they report to work. Regular occupational health and safety related education and training are also held for employees in the factory. Through the relevant training and advocacy, the concept of environmental safety and health education can be deeply rooted in employees. The plants belonging to Chi Hung Co., Ltd., Can Sports Vietnam Co., Ltd., All Wells International Co., Ltd, and Can Sports Shoes Co., Ltd. have also all obtained ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certificates. Please refer to the Company's Sustainability Report for more information on employee occupational safety and health.	No major discrepancies.
(IV) Does the Company offer its employees effective occupational empowerment training programs?	✓		(IV) The Company designs appropriate training and courses for employees of different positions and ranks, including induction training, regular and irregular training. Apart from these existing professional skills training and management courses, the Company has also worked together with external consulting organizations in 2025 to better understand the characteristics of the current talent recruitment pool and our talent development and succession planning needs. Through these collaborations, we have conducted science-based quantitative research and data analysis on specific middle and senior management employees in order to establish a set of core and	No major discrepancies.

Evaluation items	Operating status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
(V) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and does it establish relevant consumer protection policies and grievance procedures?	✓		<p>management competencies specifically required by the Company, which will serve as a basis for future management training, development, and assessment. At the same time, we have taken inventory of the current professional competencies of our employees to analyze the difference between the Company's specific competencies and external industry data, in order to serve as an important reference for planning future recruitment and training. Through these training courses and projects, the Human Resources Department aims to enhance the professional knowledge and skills, management capabilities, and cultural literacy of employees, supporting them in their career development.</p> <p>(V) The Company complies with relevant laws and regulations and international standards with regards to issues such as customer health and safety, customer privacy, marketing and labeling of product sales and services. To protect customer information, the "Information Security Management Measures" has been established. The Company attaches great importance to customer feedback and opinions, and believes that they are the key to continuous improvement and provision of quality products and services.</p>	No major discrepancies.
(VI) Has the Company established supplier management policies which require suppliers to observe relevant regulations on environmental protection, occupational safety and hygiene, or labor and human rights? If so, describe the implementation results.	✓		<p>(VI) The Company's suppliers maintain a high standard in health, safety and environment, and are required to comply with the "Supplier Audit Program", "Supplier Statistics" and "Periodic Supplier Evaluation Checklist", and conduct audits on labor conditions, environmental safety and health, and anti-terrorism and safety twice a year. If any deficiencies are found during the audit, the suppliers are to make improvements within a specified period. If the evaluation score is lower than 75 points for two consecutive times, the purchasing unit will intervene to provide guidance and require the supplier to improve, and report to the general manager for review. If major defects that seriously affect quality are found, the cooperation with the supplier</p>	No major discrepancies.

Evaluation items	Operating status			Discrepancies with the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons therefor
	Yes	No	Summary description	
			will be terminated.	
V. Does the Company refer to internationally accepted standards or guidelines for the preparation of reports that disclose the Company's non-financial information, such as sustainability reports? Does the Company obtain third-party assurance or qualified opinion for the reports above?	✓		<p>The 2024 Sustainability Report that the Company has submitted and issued is prepared based on the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Reporting Standards Board in 2021, the AA1000 AccountAbility Principles, the Apparel, Accessories & Footwear Industry Disclosure Standards of the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD), etc. as the disclosure framework.</p> <p>We will continue to obtain third-party assurance reports every year in accordance with ISAE 3000 "standard for assurance engagements other than audits or reviews of historical financial information" issued by the Accounting Research and Development Foundation of the Republic of China.</p>	No major discrepancies.
VI. If the Company has formulated its own Code of Sustainable Development Practices in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancies between its performance and the Code. The Company has formulated the Code of Sustainable Development Practices, and continues to operate based on the Practices; there are no major discrepancies between the Company's operations and the Practices.				
VII. Other crucial information to help understand the implementation of sustainable development: In Taiwan, Sports Gear Social Welfare Foundation leads the Company in participating in social giving and charity activities, and the CR Department coordinates, plans and implements for the various plants. Over the years, the Company has been actively promoting charitable activities through funding, in-kind donations, etc. In addition to continuing to care for remote region's elementary school students, remote region's medical care and disadvantaged elderly, etc. the Company also began to invest resources in environmental protection issues, in the aim to bring about positive changes to the society and environment through actual actions. Additionally, the Company has also invested into arts and cultural activities through donations, sponsorships, and strategic partnerships, allowing us to support independent bands in creating new works or putting on performances. We have also sponsored multiple family musicals, concerts, and music festivals. Please refer to the Company's Sustainability Report and official website for more details on these activities.				

(V) -2 Climate-related information of TWSE Listed and TPEX Companies

1. Climate-related implementation

Item	Implementation
<p>1. Describe the Board and management's supervision and governance of climate-related risks and opportunities.</p>	<p>In order to enhance corporate governance and sustainable development, the Sports Gear Co., Ltd. Board of Directors has established a Sustainable Development Committee reporting to the Board of Directors as a dedicated unit responsible for supervising climate change and sustainable development-related issues under the supervision of the Board of Directors. Following the full re-election of the Board of Directors at the end of the current Board's term, the member composition of the second Sustainable Development Committee has also been adjusted. The Chairman, President, and all newly-elected independent directors will serve as Committee members, ensuring that the Committee maintains its independence and professionalism in decision-making. Additionally, the Board of Directors is also responsible for reviewing the Company's Sustainability Report, assessing the impact of major climate and sustainability issues on the Company's business operations, finances, and long-term value, and monitoring whether the Company's Environmental, Social and Governance (ESG) strategies and performance meet the expectations of customers and stakeholders. This information is taken into consideration by the Company and used to continuously adjust sustainable development strategies. The Sustainable Development Committee plans to hold two regular meetings each year to establish, promote, and optimize the Company's climate change and sustainable development strategy, annual plan, and sustainable information disclosures. The Committee also regularly reviews how these measures have been implemented.</p> <p>In order to ensure that business decisions reflect actual operating conditions, the Committee also invites vice presidents from each of the Company's business units, the supervisors of each headquarters center, the highest manager overseeing each plant, the heads of each administration office, and other relevant department managers to attend Committee meetings alongside the Committee members, allowing them to provide advice from a practical perspective and help implement strategies. The senior managers and department heads at each operating location are responsible for identifying and assessing climate-related risks and opportunities based on their business needs and operations. They then submit these assessment results together with their suggestions and proposed plans to the Sustainable Development Committee for discussion and resolution. The Committee's resolutions are then reported to the Board of Directors for discussion and review, ensuring that climate issues are incorporated into the Company's overall governance and decision-making process. The Sustainability Committee convened two meetings in 2025. The resolutions passed during these meetings and details on how they have been implemented are disclosed pursuant to regulations on the Company's website, enhancing information transparency and facilitating stakeholder communication. In order to allow Sports Gear Co., Ltd. to fully understand the impact of climate change-related risks and opportunities on the Company, the Board of Directors has authorized the Sustainable Development Committee to implement measures for managing risks and opportunities related to climate change. The Committee has faithfully carried out these duties and provided regular reports to the corporate governance unit, ensuring that the Board of Directors is able to carry out its duties as a guidance and supervisory mechanism, and strengthening the Company's resilience and adaptability when responding to climate change.</p>
<p>2. Describe how identified climate risks and opportunities affect the business, strategy, and finances of the business (in the short, medium and long term)</p>	<p>Through cross-departmental collaborations, the Company regularly reviews and maintains operations for identifying and assessing TFCO climate change risks and opportunities. We have continued to monitor changes to physical risks, transition risks, and related climate opportunities, and use this information to review climate strategies and objectives, management actions, and implementation progress to ensure that our sustainable development measures remain in line with the most recent developments.</p> <p>The Sustainability Report Preparation Team selects highly correlated areas, and discusses the results of annual major climate risks and opportunities with senior management. Based on the latest internal audit developments and standards requirements, potential risks are monitored and preventive measures implemented to strengthen risk management. This year, one major physical risk, four major transformation risks and seven major opportunity issues have been identified. The results are as follows: (For details, please refer to Chapter 4 of the Company's 2025 Sustainability Report).</p>

The Company uses a five-point scoring system to assess the "likelihood of occurrence" (5 levels) and "level of impact" (5 levels) for each climate-related risk and opportunity. Sports Gear Co., Ltd. defines "short-term" as 3 years or less, "medium-term" as 3 to 5 years, and "long-term" as more than 5 years. The specific quantitative assessment indicators, scoring methodology, and climate risk/opportunity assessment results are presented in the table below:

Period of impact	Score	Likelihood of occurrence	Level of impact
Long-term	1 point	May occur after 10 years (Highly unlikely to occur)	Low
Long-term	2 points	May occur within 5 to 10 years (Unlikely to occur)	Medium to low
Medium-term	3 points	May occur within 3 to 5 years (May occur)	Medium
Short-term	4 points	May occur within 1 to 3 years (Very likely to occur)	Medium to high
Short-term	5 points	May occur within 1 year (Almost certain to occur)	High

Risks / opportunities	Risks categories and opportunities	Short-term (1-3 years)	Medium-term (3-5 years)	Long-term (5-10 years)
Risks	Physical risks	-	<ul style="list-style-type: none"> Long-term climate change impacts 	<ul style="list-style-type: none"> -
	Transition risks	<ul style="list-style-type: none"> Technical risks and development challenges of low-carbon technologies and recycled materials Sustainable behavior affects customers' selection criteria for suppliers 	<ul style="list-style-type: none"> Uncertain market information Tighter climate regulations (renewable energy, greenhouse gas caps and carbon-related regulations) 	-
Opportunities		<ul style="list-style-type: none"> Participate in SBTi Renewable energy use and solar power plant investment Create an innovative culture and cultivate innovative thinking and technology 	<ul style="list-style-type: none"> Develop in line with brand customers and consumer preferences Promote the Company's sustainable resource integration and efficiency Progress towards an energy-saving 	<ul style="list-style-type: none"> Green Purchasing

			<p>green factory with a circular economy</p> <ul style="list-style-type: none"> • 	
<p>3. Describe the financial impact from extreme climate events and transition actions.</p>	<p>Sports Gear Co., Ltd. refers to the TCFD framework to identify climate-related risks, and the assessment and classification are as follows: (For details, please refer to Chapter 4 of the Company's 2025 Sustainability Report)</p> <p>In terms of physical risks, "immediate" or "long-term" extreme weather events caused by climate change will cause financial losses for the Company.</p> <p>Sudden extreme rainfall events may cause flooding of headquarters offices, factory areas and surrounding areas, affecting employees commuting and the transportation of raw materials and finished products, thereby reducing production efficiency and increasing operating costs. In terms of long-term, continued high temperatures and drought will increase the risk of heat injury to employees of Sports Gear Co., Ltd., affecting occupational safety and production efficiency. At the same time, raw materials may undergo qualitative changes due to high temperatures, and the electricity demand for air-conditioning and cooling equipment will also increase significantly, thereby pushing up management expenses and production costs. Water shortages may affect the production process and daily water demand. The Company needs to find other clean water sources, resulting in higher water procurement costs.</p> <p>In terms of transition risks, Sports Gear Co., Ltd. may face multiple challenges from policies and regulations, technological development and changes in market demand due to the global low-carbon economy transition. Depending on the nature, speed and impact of the relevant changes, the following risks may have direct or indirect impacts on the company operations during the assessment period, including policy and regulatory changes, such as carbon taxes (fees), total greenhouse gas emission control, renewable energy policies and other regulations, which may increase the Company's compliance costs and thus increase operating costs. With regard to changes in market demand, as the consumer market's demand for low-carbon products continues to increase, if the Company may face the risk of reduced customer orders, leading to lower operating revenue, if we fail to adjust product design and production models in a timely manner</p> <p>With regard to climate opportunities, the Company has focused on developing innovative low-carbon technologies and actively keeping up with market trends. As our customers gradually increase the proportion of recycled materials used in their various shoe products, we have continued to develop low-carbon products to meet customer needs, and sought to build an internal culture of innovation within the Company in order to cultivate innovative thinking and technologies, enhancing our market competitiveness. Overall, the Company has made fundamental changes to the very root of our corporate sustainability operations in order to meet the challenges and demands of a new era. We aim to gain a lead over our industry peers in adaptability, strengthening our competitiveness on the consumer market.</p>			
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p><u>1. Collection and identification of data related to climate change</u></p> <p>The Sustainability Report Preparation Team distributes TFCF data collection forms, and help the Company's different departments, including the administration office, product development, quality control, social responsibility, and accounting departments engage in discussion and assessment. The Team then collects and compiles data on the climate-related risks submitted back by each department.</p> <p><u>2. Assess the impact and formulate management response measures</u></p> <p>Rank them according to their probability of occurrence and impact, and identify items with high impact. Based on the analysis results, further consultations and discussions on risk management strategies and response plans will be conducted with the responsible departments.</p> <p><u>3. Reporting and Tracking</u></p> <p>The annual identification results of climate change risks and opportunities, impact analysis, strategies and response plans are reported to the Sustainability Committee and the board of directors regularly to ensure the senior management is aware of the progress of management of relevant risks and opportunities. In addition, relevant content will also be included in the sustainability report and disclosed to stakeholders to demonstrate the Company's transparency and responsibility in climate risk management.</p>			

<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts that are used in the analysis should be explained.</p>	<p>Sports Gear Co., Ltd. has referenced foreign scientific reports and domestic policy reports, and used the “Middle of the Road” SSP2-4.5 scenario and the Net Zero Emissions by 2050 scenario as hypothetical scenarios for our scenario analysis of potential physical and transition risks:</p> <table border="1" data-bbox="400 286 1420 1064"> <thead> <tr> <th data-bbox="400 286 560 315">Scenario</th> <th data-bbox="560 286 1420 315">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="400 315 560 616">Physical climate risk scenario</td> <td data-bbox="560 315 1420 616"> <p>The Company has adopted the Middle of the Road Emissions Scenario (SSP2-4.5) from the IPCC Sixth Assessment Report for physical climate risk scenario analysis after taking into consideration the potential physical impacts, severity of physical risk consequences, and the likely timing, location, and target of these impacts. This scenario is briefly described below: Middle of the Road Emissions Scenario (SSP2-4.5)</p> <p>In this scenario, there is an over 50% chance that temperatures rise by less than 3°C by 2100 AD. Greenhouse gas emissions are roughly estimated to remain at current levels until 2050, after which they will gradually decline.</p> </td> </tr> <tr> <td data-bbox="400 616 560 1064">Climate Transition Scenario</td> <td data-bbox="560 616 1420 1064"> <p>The Company has adopted the 2025 Net-Zero Emissions by 2050 (NZE) scenario for climate transition scenario analysis, after taking into account the climate regulations described in the Taiwan's Pathway to Net-Zero Emissions in 2050 roadmap published by Taiwan's National Development Council, as well as the Company's own net zero strategies and targets. This scenario is briefly described below: Net-Zero Emissions by 2050 (NZE) scenario</p> <p>This scenario outlines a pathway where the global energy industry achieves net-zero emissions by 2050. In this scenario, the energy industry does not rely on external emission reductions to achieve net-zero emissions targets, and there is an over 50% chance that global warming will be limited to within 1.5° by 2100 on average. The Net-Zero Emissions Scenario (NZE) is in line with the Paris Agreement's goal of limiting global temperature rise to less than 1.5°C at the end of this century.</p> </td> </tr> </tbody> </table>	Scenario	Description	Physical climate risk scenario	<p>The Company has adopted the Middle of the Road Emissions Scenario (SSP2-4.5) from the IPCC Sixth Assessment Report for physical climate risk scenario analysis after taking into consideration the potential physical impacts, severity of physical risk consequences, and the likely timing, location, and target of these impacts. This scenario is briefly described below: Middle of the Road Emissions Scenario (SSP2-4.5)</p> <p>In this scenario, there is an over 50% chance that temperatures rise by less than 3°C by 2100 AD. Greenhouse gas emissions are roughly estimated to remain at current levels until 2050, after which they will gradually decline.</p>	Climate Transition Scenario	<p>The Company has adopted the 2025 Net-Zero Emissions by 2050 (NZE) scenario for climate transition scenario analysis, after taking into account the climate regulations described in the Taiwan's Pathway to Net-Zero Emissions in 2050 roadmap published by Taiwan's National Development Council, as well as the Company's own net zero strategies and targets. This scenario is briefly described below: Net-Zero Emissions by 2050 (NZE) scenario</p> <p>This scenario outlines a pathway where the global energy industry achieves net-zero emissions by 2050. In this scenario, the energy industry does not rely on external emission reductions to achieve net-zero emissions targets, and there is an over 50% chance that global warming will be limited to within 1.5° by 2100 on average. The Net-Zero Emissions Scenario (NZE) is in line with the Paris Agreement's goal of limiting global temperature rise to less than 1.5°C at the end of this century.</p>
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<p>6. If there is a transition plan for managing climate risks, describe its content, as well as the indicators and goals used to identify and manage physical risks and transition risks.</p>	<p>The Company has proposed the following strategies and implementation directions as part of our transition plan for managing climate change.</p> <p>(I) Greenhouse gas management</p> <ol style="list-style-type: none"> 1. Establish a greenhouse gas inventory system which includes Scope 1, Scope 2, and Scope 3 emissions 2. Establish short, medium, and long-term plans based on the results of greenhouse gas inventories 3. Gradually replace outdated critical [TS1.1] energy equipment <p>(II) Energy transition</p> <ol style="list-style-type: none"> 1. Continuously optimize energy use efficiency 2. Gradually increase the proportion of low-carbon and renewable energy used <p>(III) Product and supply chain transition</p> <ol style="list-style-type: none"> 1. Increase the proportion of low-carbon and recycled raw materials used 2. Negotiate with suppliers to jointly promote carbon reduction measures <p>(IV) Financial assessment</p> <ol style="list-style-type: none"> 1. Create financial projections for potential climate risk damages 2. Assess how investments can be better protected from damage by climate risks. 						
<p>7. If internal carbon pricing is used as a tool for planning, the basis for price setting should be explained.</p>	<p>The Company plans to adopt an internal carbon price, and is currently planning how the carbon price should be determined, as well as how the system should be implemented. The internal carbon price shall be used in the future as a mechanism for linking the sustainability performance of senior managers to their remuneration.</p>						

<p>8. If climate goals are set, information such as the activities covered, the scope of GHG emissions, the planning period, and the progress of each year should be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve the goals, the source and quantity of carbon offset credits or the number of RECs used for offsetting should be explained.</p>	<p>The Company submitted an SBTi commitment in January 2025, after which we immediately began conducting greenhouse gas inventories at each of our Sports Gear Co., Ltd. physical operating locations, including Scope 1, Scope 2, and Scope 3 emissions. The emissions data we collected from these inventories were then used to develop greenhouse gas reduction pathways and targets through science-based emissions reduction methodologies, assess our various carbon reduction strategies, and prepare action plans.</p> <p>In order to meet customer product emissions intensity targets, the Vietnam and Cambodia operating locations have purchased renewable energy certificates (RECs) for 13,602.59 mWh of renewable energy in 2025.</p>
<p>9. GHG inventory and confirmation status, and carbon reduction goals, strategies and specific action plans.</p>	<p>For details, refer to Chapter 2. The Company’s GHG inventory and assurance in the last two years.</p>

2. GHG inventory and confirmation of the Company in the last two years

1. GHG inventory information

Describe the emission volume (tons of CO₂e) and intensity (tons of CO₂e/million NT\$) GHG in the past two years, and the data coverage.

In accordance with Article 10 of the “Regulations Governing Information to be Published in Annual Reports of Public Companies” (herewith after referred to as the Regulations) released by the Financial Supervisory Commission, all TWSE and TPEX listed companies shall disclose information on climate change related issues according to the format in Attachment Table 2-2-3, and GHG related information shall be disclosed in stages according to the Sustainable Development Roadmap for TWSE and TPEX Listed Companies. Our Company is a listed company with paid-in capital of less than NT\$5 billion. The disclosure information for the inventory is as follows:

The parent company shall disclose the inventory information beginning 2026

Subsidiaries in the consolidated financial statements shall disclose the inventory information beginning 2027

Sports Gear Co., Ltd. has conducted greenhouse gas inventory in accordance with the GHG Protocol standards to fully grasp the Company's greenhouse gas emissions situation. Reduction measures are conducted by analyzing emission hotspots of each plant, to reduce greenhouse gas emissions and the carbon footprint of products, as well as improve the negative impact on the environment during operations. Sports Gear Co., Ltd. has also gradually improved the disclosure of greenhouse gas inventory boundaries and scope. The disclosure of the inventory boundary of Sports Gear Co., Ltd. in 2025 is as follows:

Scope	Item	2024 ^(Note 2)	2025	Assurance body	Assurance standards	Assurance opinion/situation
		Total emissions (Tons CO ₂ e)	Total emissions (Tons CO ₂ e)			
Parent company	Scope 1 ^(Note 3)	(Note 2)	0	(Note 5)	(Note 5)	(Note 5)
	Scope 2 ^(Note 4)		0			
	Scope 3		-			
	Subtotal		0			
Some subsidiaries in the Consolidated Financial Report ^(Note 1)	Scope 1 ^(Note 3)	47.00	4,087.316	(Note 1)	(Note 1)	(Note 1)
	Scope 2 ^(Note 4)	120.20	66,242.736			
	Scope 3	-	-			
	Subtotal	167.20	70,330.06			
Total		167.20	70,330.06			

Note 1: The consolidated financial information presented in this table for some subsidiaries includes financial statement information for the subsidiaries Sports Gear Co., Ltd. Samoa (Sports Gear Co., Ltd. Taiwan Branch) for the 2024 fiscal year, and information for Sports Gear Co., Ltd. Samoa (Taiwan Branch, Silk Invest International Co., Ltd.), Chi Hung Co., Ltd., Dai Hoa Co., Ltd., Can Sports Vietnam Co., Ltd., All Wells International Co., Ltd., August Sports Co., Ltd., Can Sports Shoes Co., Ltd. and PT Can Sports Industrial Indonesia for the 2025 fiscal year. The Scope 1 and Scope 2 emissions data reported for 2025 are self-reported figures, and have not been verified by a third party.

Note 2: The parent company SPG-KY is a holding company registered overseas. It has no physical operating locations, employees, or substantial operating activities, and therefore does not disclose greenhouse gas emissions.

Note 3: The Scope 1 greenhouse gas emissions factors for the Taiwan business headquarters are as announced by the Ministry of Environment in the February 5, 2024 Announcement of Greenhouse Gas Emissions Factors. Greenhouse gas emissions from our production locations in Vietnam, Cambodia, and Indonesia are calculated based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Note 4: Scope 2 greenhouse gas emissions factors for the Taiwan business headquarters are based on the latest emissions factors for electricity announced by the Energy Administration, Ministry of Economic Affairs as of the report publication date. The factor used for 2024 is: 0.474 kg CO₂e/kWh. Emissions for the Company's five production locations in Vietnam are calculated using the emissions factor of 0.6592 kg of CO₂e/kWh, based on the national electricity emissions factor for Vietnam as published by the Vietnam Ministry of Agriculture and Environment (formerly the Ministry of Natural Resources and Environment) in document number 1726/BĐKH-PTC/BT. Emissions for the Cambodia plant are calculated using the emissions factor of 0.648 kg CO₂e/kWh, based on data from the international emissions factor database Ecoinvent 3.0. Emissions for the Indonesian plant are calculated using the emissions factor of 0.80 kg CO₂e/kWh, as announced by the Ministry of Energy and Mineral Resources of the Republic of Indonesia as the 2019 electricity system emissions factors for the West Java province.

Note 5: GWP values are based on the updated values from the IPCC's Sixth Assessment Report (AR6) version 2.0 (August 7, 2024), as published by the Greenhouse Gas Protocol on August 7, 2024.

2. GHG assurance information

Describe the assurance status in the past two years up till the publication date of the Annual Report, including assurance scope, assurance agency, assurance standards and assurance opinion.

In accordance with Article 10 of the “Regulations Governing Information to be Published in Annual Reports of Public Companies” (herewith after referred to as the Regulations) released by the Financial Supervisory Commission, all TWSE and TPEX listed companies shall disclose information on climate change related issues according to the format in Attachment Table 2-2-3, and GHG related information shall be disclosed in stages according to the Sustainable

Development Roadmap for TWSE and TPEx Listed Companies. Our Company is a listed company with paid-in capital of less than NT\$5 billion, and our assurance disclosure is as follows:

- (1). The parent company shall disclose the assurance information beginning 2028
- (2). Each of the subsidiaries included in the consolidated financial report, Sports Gear Co., Ltd. Samoa, Chi Hung Co., Ltd., Dai Hoa Co., Ltd., Can Sports Vietnam Co., Ltd., All Wells International Co., Ltd., August Sports Co., Ltd., and Can Sports Shoes Co., Ltd., have had their statements verified or assured in 2024. Please refer to the special section on Sustainability on the Company's official website for more details.

As of the publication date of the annual report, the Company will seek assurance according to the above schedule for the other subsidiaries of Sports Gear Co., Ltd. which have not yet obtained an assurance opinion for their greenhouse gas statements.

3. GHG reduction goals, strategies and specific action plans

Description of the greenhouse gas reduction base year and its data, reduction objectives, strategies, specific action plans, and achievement of reduction objectives.

The Company began conducting greenhouse gas inventories for our 2024 emissions in mid-2025. The inventory covered the Company's main physical operating locations within the reporting boundary for our financial statements, which included our Taiwan headquarters, five Vietnamese plants, and one Cambodian plant. The results of this 2024 inventory were used to determine the base year for the Group.

1. Emissions performance (compared to 2024 base year)
 - Base year emissions (2024): 74,051.36 tCO₂e ^(Note 1).
 - Current year emissions (2025): 70,330.06 tCO₂e ^(Note 2).
 - Reduction results: Emissions decreased by 5.03% compared to the base year.
2. Reduction target
 - The Company has adopted the SBTi (Science-Based Reduction Targets) methodology to set reduction targets and roadmaps for the next 5 to 10 years.
 - Scope 1 and 2 emissions targets were set using the absolute emissions reduction method, while Scope 3 emissions targets were set using the emissions intensity reduction method.
3. Strategies and specific action plans
 - Conduct greenhouse gas inventories to identify carbon emissions hotspots and plan carbon reduction measures.
 - Purchase renewable energy certificates to offset carbon emissions generated from purchasing externally generated electricity.
 - Adopt an internal carbon pricing mechanism to incentivize our operating locations to reduce greenhouse gas emissions. This will also serve as a mechanism for linking the sustainability performance of senior managers to remuneration in the future. Methods for determining the internal carbon price and implementing this system are currently being planned.

Note 1: Figures for the 2024 fiscal year includes Sports Gear Co., Ltd. Samoa (Sports Gear Co., Ltd. Taiwan Branch, Silk Invest International Co., Ltd.), Chi Hung Co., Ltd., Dai Hoa Co., Ltd., Can Sports Vietnam Co., Ltd., All Wells International Co., Ltd., August Sports Co., Ltd., and Can Sports Shoes Co., Ltd.

Note 2: Figures for the 2025 fiscal year includes Sports Gear Co., Ltd. Samoa (Sports Gear Co., Ltd. Taiwan Branch, Silk Invest International Co., Ltd.), Chi Hung Co., Ltd., Dai Hoa Co., Ltd., Can Sports Vietnam Co., Ltd., All Wells International Co., Ltd., August Sports Co., Ltd., Can Sports Shoes Co., Ltd., and PT Can Sports Industrial Indonesia.

Figures for Scope 1 and 2 emissions are self-reported, and have not been verified by a third party.

(VI) Implementation of ethical management and discrepancies with Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and reasons therefor

Evaluation items	Operating status			Discrepancy with industry standards in ethical corporate management and reasons therefor
	Yes	No	Summary description	
I. Establishment of ethical corporate management policy and approaches				
(I) Has the Company formulated an ethical corporate management policy that has been passed by its board of directors in its internal rules and external documents, as well as the commitment of the board of directors and upper management to actively implement management polices?	✓		(I) The Company has established its "Ethical Corporate Management Best Practice Principles," "Ethical Corporate Management Operating Procedures and Code of Conduct" and "Code of Ethics" to regulate the Company's ethical management policies. In order to ensure that employees, managers, and directors are aware of, comply with, and implement it.	No major discrepancies.
(II) Has the Company established mechanisms to assess the risk of unethical conduct and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		(II) The Company follows the principle of ethical management, prohibits the offering and accepting of bribes, and clearly stipulates that illegal donations are not allowed; it also promotes corporate ethics and corporate governance education and training for employees from time to time.	No major discrepancies.
(III) Does the Company clearly define operating procedures, behavioral guidelines, punishment and appeal systems for violations of the program to	✓		(III) The Company has formulated plans to prevent unethical behavior, it has formulated operating procedures and behavior guidelines in each plan, and has promulgated professional	No major discrepancies.

Evaluation items	Operating status			Discrepancy with industry standards in ethical corporate management and reasons therefor
	Yes	No	Summary description	
prevent unethical conduct? And does the Company implement the program and regularly review before amendment?			ethics and legal compliance to the Company's employees, managers, and directors.	
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the Company evaluate the credit records of its counterparties and specify good faith terms and conditions in the contracts it enters into?</p> <p>(II) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?</p> <p>(III) Has the Company formulated policies that help prevent against conflict of interests and has it established appropriate channels for filing related complaints in place and does it implement them?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company evaluates its counterparties in accordance with the internal control system, and agreements signed with cooperating partners prohibit both parties from accepting bribes and engaging in other unethical business practices.</p> <p>(II) The Company has designated the Secretary's Office of the Board of Directors as the dedicated unit to promote the integrity of corporate governance, and the corporate governance manager reports to the Board of Directors on a regular basis. The Board of Directors reported on the implementation of ethical corporate management measures for 2025 on March 10, 2026.</p> <p>(III) Those who have a stakeholder interest in business dealings should inform their managers and recuse themselves in advance to avoid conflicts of interest; directors may state their opinions and answer inquiries with respect to those matters in which the directors themselves or their representatives have stakeholder interest which may harm the Company's interests, but are not allowed to participate in discussion and voting.</p>	<p>No major discrepancies.</p> <p>No major discrepancies.</p> <p>No major discrepancies.</p>

Evaluation items	Operating status			Discrepancy with industry standards in ethical corporate management and reasons therefor
	Yes	No	Summary description	
(IV) Has the Company established effective accounting and internal control systems to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform such audits?	✓		(IV) The Company has established an effective accounting system and internal control system. Internal audit personnel check the compliance of the system in accordance with the audit plan and regularly report to the Board of Directors.	No major discrepancies.
(V) Does the Company periodically organize internal and external education and training to help enforce ethical operations?	✓		(V) The Company organizes internal and external education and training that include ethical management content according to the situation.	No major discrepancies.
III. The operation of the Company whistleblowing system				
(I) Has the Company established a substantial reporting and reward system as well as a convenient reporting channel with appropriate personnel to be assigned to assist the reported party?	✓		(I) The Company has an internal independent reporting mailbox. When employees discover violations of laws and regulations, the Company will have a dedicated person who will accept and handle the report. Reports involving directors or senior management must be reported to the audit committee.	No major discrepancies.
(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures for after the investigation has been completed, and confidentiality mechanisms?	✓		(II) The Company has established a specific whistleblowing system and complaint channels to keep the identity of the whistleblower and the content of the report secret, and allows anonymous whistleblowing.	No major discrepancies.

Evaluation items	Operating status			Discrepancy with industry standards in ethical corporate management and reasons therefor
	Yes	No	Summary description	
(III) Does the Company take measures to protect whistleblowers from being improperly handled due to whistleblowing?	✓		(III) The Company has established a specific whistleblowing system and complaint channels to protect whistleblowers. The personnel who handle reports shall declare in writing that the identity of the whistleblower and the content of the whistleblower will be kept confidential to ensure that the whistleblower is not improperly handled due to the report.	No major discrepancies.
IV. Improving Information Disclosure Does the Company disclose the content of its Ethical Corporate Management Best Practice Principles and implementation status on its website or Market Observation Post System (MOPS)?	✓		The Company has formulated various systems for the Ethical Corporate Management Best Practice Principles and discloses relevant information on its website for public reference.	No major discrepancies.
V. If the Company has established Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," describe any discrepancies between the principles and their implementation. The Company has formulated Ethical Corporate Management Best Practice Principles, and currently the Company's internal operations continue to be handled in accordance with the provisions of those principles; there are no major discrepancies between the content of the code and its implementation.				
VI. Other important information helpful to understanding the Company's ethical management operations: In addition to the Ethical Corporate Management Best Practice Principles, the Company has also established other internal regulations (example: prevention of insider trading). The Company also arranges for directors to participate in corporate governance courses, and from time to time promulgates the ethical management policy to employees.				

(VII) Other important information that is sufficient to enhance the understanding of corporate governance and operational conditions must be disclosed together:

1. Implementation Principles of Corporate Governance:
 - (1). Protect the rights and interests of shareholders.
 - (2). Strengthen the functions of the board of directors.
 - (3). Execute the functions of independent directors.
 - (4). Respect the rights and interests of stakeholders.
 - (5). Improve information transparency.
2. The Company ensures that its employees, managers and directors are fully aware of and comply with the "Procedures for Handling Material Inside Information " and incorporates

them into the internal control system to reduce the risk of insider trading.

- (1). Education and training: In 2025, the Company conducted 2.5 hours of education and training on September 26, October 3 and October 31 for 105 current directors, managers and employees.

Course content includes: Confidentiality of material information, as well as the causes of insider trading, recognition process and transaction examples, the scope of material internal information, confidentiality, disclosure and violation handling.

- (2). Insider advocacy:

Continuing education: The Company arranges relevant training for directors and managers from time to time in accordance with regulations. The topics and content covers various domains such as core values and professional knowledge, finance and accounting, risk management and internal control, business and commerce, legal and financial reporting responsibilities, as well as corporate social responsibility. In 2025, the number of training hours for the Company's directors has met the requirements.

Immediate advocacy: The Company notified each director in advance of the relevant board meetings in December of the previous year, and notified the directors immediately on January 14, April 1, July 3 and October 13, 2025: "may not trade the shares during the closed period within 30 days of announcing the annual financial reports and within 15 days of announcing the quarterly financial reports."

3. Certifications specified by the competent authority that were obtained by the Company's personnel related to financial information transparency:

Certification name	Issuing authority	Number of people
Senior Examination for Certified Public Accountants	Examination Yuan, Ministry of Examination	2

4. From 2025 to the date of publication of the annual report, the status of key management training is as follows:

Course name	Course date:	Number of people	Number of man-hours
2025 Seminar on Prevention of Insider Trading	20250509	2	6
Corporate Governance Forum	20250620	1	3
Greenhouse Gas Management Practical Workshop and Sustainable Development Promotion Meeting - Taichung Course	20250721 20250722	1	9
2025 Insider Equity Transaction Legal Compliance Awareness Briefing	20250822	1	3
Continuing Development Course of Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	20250922 20250923	1	12
"Shareholder Meetings" and "Company Act" Matters Needing Attention and Practical Case Study	20251105	1	6
"Digital Transformation in Auditing" Practical Case Study	20251211	1	6
Ethical corporate management training	20250926 20251003 20251031	3	9

(VIII) Implementation status of internal control system

1. Statement on Internal Control:

Sports Gear Co., Ltd.

Statement on Internal Control

Date: March 10, 2026

Based on the results of self-assessment of the Company's internal control system for 2025, the Company hereby declares as follows:

- I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers, and that the Company has already established such a system. The purpose of which is to achieve the objectives of operational effectiveness and efficiency (including profit, performance and asset security, etc.), reporting reliability, timeliness, transparency, and conformity with relevant regulations and compliance with relevant laws and regulations, and to provide reasonable assurance with regard to the preceding.
- II. There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. Moreover, the operating environment and situation may change, impacting the effectiveness of the internal control system. The internal control system of the Company features a self-monitoring mechanism. Once identified, any deficiency will be rectified immediately.
- III. The Company judges whether the design and implementation of the internal control system are effective based on the judgment items of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The Regulations are instituted for judging the effectiveness of the design and implementation of the internal control system. There are five components of effective internal control as specified in the Regulations with which the procedure for effective internal control is measured, namely: 1. Control Environment, 2. Risk Assessment, 3. Control Operations, 4. Information and Communication, and 5. Supervisory Operations. Each of the elements in turn contains certain audit items. Refer to the Regulations for details.
- IV. The Company has adopted the above-mentioned internal control system judgment items to assess the effectiveness of the design and implementation of the internal control system.
- V. Based on the aforementioned assessment findings, the Company holds that it has reasonably preserved the achievement of the aforementioned with the internal control system as of December 31, 2025 (including the monitoring and management of the subsidiaries), including the effectiveness and efficiency in operation, reliability, timeliness, and transparency in reporting, conformity with relevant regulations and compliance with relevant laws and regulations, and that the design and enforcement of internal control are effective.
- VI. This Statement constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or omission relating to the public statement above is subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement was approved by the Board of Directors on March 5, 2026, with unanimous consent from all seven directors in attendance and attending by proxy.

Sports Gear Co., Ltd.

Chairman: Patrick Chen

Signature/Seal

President: David Ma

Signature/Seal

2. If the company engages an accountant to examine its internal control system, disclose the CPA review report: None

(IX) Important resolutions of the shareholders' meeting and Board of Directors in the most recent year and up to the printing date of the annual report:

1. Resolutions of the 2025 shareholders' meeting

Item	Meeting date	Important resolution
Annual shareholders' meeting	2025.05.23	<p><u>Matters for Ratification</u></p> <ol style="list-style-type: none"> 1. Ratify the 2024 Business Report and Consolidated Financial Report. Implementation: The shareholders' meeting resolved to pass the matter as proposed. 2. Ratification of the 2024 Earnings Distributions. Implementation: The shareholders' meeting resolved to pass the matter as proposed. <p><u>Matters for Discussion</u></p> <ol style="list-style-type: none"> 1. Amendment to some articles of the Company's "Articles of Incorporation." Implementation: The shareholders' meeting resolved to pass the matter as proposed. 2. Amendment to some articles of the "Procedures for Extending Loans to Others" Implementation: The shareholders' meeting resolved to pass the matter as proposed. <p><u>Elections</u></p> <p>Full re-election of the Company's 4th Board of Directors. Implementation: The 4th board of directors is elected during the shareholders' meeting according to the law.</p> <p><u>Other Proposals</u></p> <p>Proposal to lift the restrictions on non-competition of the new 4th term directors and their representatives. Implementation: The shareholders' meeting resolved to pass the matter as proposed.</p>

2. 2025 board resolutions

Item	Meeting date	Important resolution
15th meeting of the third term	2025.3.5	<ol style="list-style-type: none"> 1. Approved the individual financial statements for 2024. 2. Approved the 2024 Business Report and Consolidated Financial Report. 3. Approval of proposal to change the certified public accountants in line with the rotation requirements of Deloitte Taiwan pursuant to law.

Item	Meeting date	Important resolution
		<ol style="list-style-type: none"> 4. Approved the appraisal of the independence and competence of CPAs. 5. Approved the review of CPA fees. 6. Approved the amendment of the “Remuneration Rules for Directors and Managers”. 7. Approved the proposal of employee remuneration and director remuneration for 2024. 8. Approved the 2024 surplus distributions. 9. Approved the appraisal of the effectiveness of the internal control system and the statement on the internal control system for 2024. 10. Approved amendments to some of the articles of the Company’s "Articles of Incorporation.” 11. Approved the amendment to some articles of the Company's "Regulations Governing Financial Business Among Affiliates". 12. Approved the year-end bonuses and performance bonuses for managers. 13. Approved the promotion and salary adjustment proposals for managers in 2025. 14. Approved the acquisition of land Lot No. 185, Yongfu Section, Nantun, by Silk Invest International Co., Ltd. 15. Approved the liquidation of German affiliate, Footwear Innovation Lab GmbH. 16. Approved the ratification of the acquisition or disposal of assets among the related parties from October to December 2024. 17. Approved the inter-affiliate fund loan. 18. Approved the application to financial institutions for loan limit renewal. 19. Approved the proposal for full re-election of the Company's 4th Board of Directors (including independent directors). 20. Approved the nomination and review of the election of the Company’s 4th board of directors (including independent directors). 21. Approved the proposal to lift the restrictions on non-competition of the new fourth term directors and their representatives. 22. Approved the proposal to convene the 2025 annual shareholders’ meeting.
16th meeting of the third term	2025.5.6	<ol style="list-style-type: none"> 1. Approved the consolidated financial report for the first quarter of 2025. 2. Approved the ratification of the acquisition or disposal of assets among the related parties from January to March 2025. 3. Approved the inter-affiliate fund loan.

Item	Meeting date	Important resolution
		<ol style="list-style-type: none"> 4. Approved the application to financial institutions for loan limit increase and contract renewal. 5. Approved the acquisition or disposal of assets by PT Can Sports Industrial Indonesia. 6. Approved the acquisition or disposal of assets by Portuguese company, SGP-Sports Gear Portugal, S.A.
1st meeting of the fourth term	2025.5.23	<ol style="list-style-type: none"> 1. Approved the proposal to elect the Chairman. 2. Approved the appointment of members to the 3rd Remuneration Committee and nomination of Committee convener. 3. Approved the appointment of members to the 3rd Audit Committee and nomination of Committee convener. 1. Approved the appointment of members to the 2nd Sustainable Development Committee and the nomination of Committee convener.
2nd meeting of the fourth term	2025.8.19	<ol style="list-style-type: none"> 1. Approved the consolidated financial report for the second quarter of 2025. 2. Approved the ratification of the acquisition or disposal of assets among the related parties from April to June 2025. 3. Approved the disposal of right-of-use assets by Cambodian subsidiary Fireman Factory Co., Ltd. 4. Approved the ratification of Sports Gear Co., Ltd. Taiwan Branch's acquisition of right-to-use assets. 5. Approved the ratification of Sports Gear Co., Ltd. Taiwan Branch's acquisition of right-to-use assets. 6. Approved the ratification of the acquisition of right-of-use assets by Vietnam subsidiary, Can Sports Vietnam Co., Ltd. 7. Approved the acquisition of real estate by Vietnamese subsidiary Dai Hoa Co., Ltd. 8. Passed the 2024 Sustainability Report draft. 9. Approved the assessment of the Company's 2024 director and manager salary and remuneration policies, systems, standards, and structures, and the review of the types and amounts of the individual remuneration of the director and manager. 10. Approved the distribution of employee compensation to managers in 2024. 11. Approved the appointment of managers. 12. Approved the inter-affiliate fund loan. 13. Approved the application to financial institutions for loan limit increase and contract renewal.

Item	Meeting date	Important resolution
3rd meeting of the fourth term	2025.11.11	<ol style="list-style-type: none"> 1. Approved the consolidated financial report for the third quarter of 2025. 2. Approved the ratification of the acquisition or disposal of assets among the related parties from July to September 2025. 3. Approved the acquisition or disposal of assets by Indonesian company PT Can Sports Industrial Indonesia. 1. Approved the inter-affiliate fund loan.
4th meeting of the fourth term	2025.12.23	<ol style="list-style-type: none"> 1. Approved 2026 Business Plan and Budget. 2. Approved the 2026 audit plan. 3. Approved the pre-approval of non-assurance services by audit firm. 4. Approved the acquisition of right-of-use assets (renewal of plant lease) by Cambodian sub-subsidiary Can Sports Shoes Co., Ltd. 5. Approved proposal on the liquidation and closing of China Zihui Fujian Co., Ltd. 6. Approved the Company's cash capital increase in the Seychelles subsidiary, Elephant Step Co., Ltd., through debt conversion. 7. Approved the inter-affiliate fund loan. 8. Approved the ratification of the discharge of managers.
5th meeting of the fourth term	2026.03.10	<ol style="list-style-type: none"> 1. Approved the individual financial statements for 2025. 2. Approved the 2025 Business Report and Consolidated Financial Report. 3. Approved the appraisal of the independence and competence of CPAs. 4. Approved the review of CPA fees. 5. Approved the proposal of employee remuneration and director remuneration for 2025. 6. Approved the 2025 surplus distributions. 7. Approved the appraisal of the effectiveness of the internal control system and the statement on the internal control system for 2025. 8. Approved the revision of the Group's internal control system and management regulations. 9. Approved the year-end bonuses and performance bonuses for managers. 10. Approved the promotion and salary adjustment proposals for managers in 2026. 11. Approved the ratification of the acquisition or disposal of assets among the related parties from October to December 2025. 12. Approved the amendment of some provisions of the Company's Code of Sustainable Development

Item	Meeting date	Important resolution
		Practices.
		13. Approved the special section on sustainability in the 2025 Annual Report
		14. Approved proposal on subsidiaries Elephant Step Co., Ltd. and Fongyuan International Co., Ltd. making a capital increase by cash in Indonesian sub-subsidiary PT Can Sports Industrial Indonesia.
		15. Approved the acquisition of assets by Indonesian company PT Can Sports Industrial Indonesia.
		16. Approved proposal on Silk Invest International Co., Ltd. increasing investment into SGP-Sports Gear Portugal, S.A. by 10 million euros.
		17. Approved the disposal of right-of-use assets by Zihui Co., Ltd. (early termination of lease).
		18. Approved the inter-affiliate fund loan.
		19. Approved the application to financial institutions for loan limit increase or contract renewal.
		20. Approved proposal on the Company providing an endorsement guarantee for PT Can Sports Industrial Indonesia.
		21. Approved the proposal to convene the 2026 annual shareholders' meeting.

(X) In the most recent year and up to the printing date of the annual report, if there is opposition or qualified opinions from directors or supervisors on major resolutions passed by the Board of Directors for which there exist records or written statements, the main contents are: No such situation.

IV. Information on CPA fees

(I) Information on CPA fees

Unit of amounts: NT\$ thousand

Name of the accounting firm	Names of the accountants	Duration of audit by accountants	Auditing fee	Non-auditing fee	Total	Remarks
Deloitte Taiwan	James Wu Wegle Liu	2025.01.01- 2025.12.31	8,500	Business registration: 235 Other: 1,100	9,835	Other amounts, including fees for the master file and transfer pricing report, came to NT\$1,100 thousand

(II) If the Company has one of the following circumstances, the accountant fee must be disclosed:

1. If the accounting firm is replaced and the auditing fees paid during the year of replacement are less than the auditing fees of the previous year, the amount and reasons for the drop in audit fees shall be disclosed: No such situation.
2. If the auditing fees are reduced by more than 10% from the previous year, the amount, proportion, and reasons for the reduction in auditing fees must be disclosed: No such situation.

V. Information on change of accountants

(I) Regarding the former accountant:

Date of replacement	Approved by the Board of Directors on March 5, 2025		
Reasons and explanations for the replacement	In accordance with the internal adjustments of the accounting firm, effective from the first quarter of 2025, the two CPAs who certify the Company's financial statements will be James Wu and Liu, Li-Wei, in place of Amy Chiang and Hames Wu.		
Specify whether it was the accountant that voluntarily ended the appointment or declined further appointment, or the client that terminated or discontinued the appointment.	Parties	Accountant	Client
	Circumstances	Not applicable	
	Active termination of appointment		
Discontinued acceptance of appointment			
If the former accountant issued an audit report expressing other than an unqualified opinion during the two most recent years, furnish the opinion and reason.	No such situation.		
Any disagreement with the Company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Scope or steps of the audit
			Other
	None	V	
Description:	No such situation.		
Other disclosures (Matters that should be disclosed in accordance with Article 10, Subparagraph 6, Items 1-4 to 1-7 of the Regulations)	None		

(II) Regarding the successor accountant:

Name of the accounting firm	Deloitte Taiwan
Names of the accountants	Accountants James Wu and Wegle Liu
Date of appointment	Approved by the Board of Directors on March 5, 2025
If prior to the formal appointment of the successor accountant, the Company consulted the newly appointed accountant regarding the accounting treatment of or application of accounting principles to a specified transaction, or the type of audit opinion that might be rendered on the Company's financial report, the Company shall state and identify the subjects discussed during those consultations and the consultation results.	Not applicable
Written views of the successor accountant regarding the matters on which the former accountant did not agree	Not applicable

(III) Reply letter from the former accountant on matters pursuant to Article 10, Subparagraph 6, Items 1 and 2-3 of the Regulations: Not applicable.

VI. The Company's chairman, president, manager in charge of financial or accounting affairs, and those individuals who have worked at the firm of the CPA or its affiliate within the most recent year

No such situation.

VII. Changes to shareholding of directors, supervisors, managers, and major shareholders whose shareholding ratio exceeds 10% of the equity transfer and pledge loan in the most recent year and up to the printing date of the annual report

(I) Changes in equity of directors, supervisors, managers and major shareholders whose shareholding ratio exceeds 10%

Unit: Shares

Title	Name	2025		Current year and up to March 30, 2026	
		Increase (decrease) in shareholding	Increase (decrease) in the number of pledged shares	Increase (decrease) in shareholding	Increase (decrease) in the number of pledged shares
Chairman	Patrick Chen	0	0	0	0
Director	Thomas Wang	0	0	0	0
Director	Davis Cheng	0	0	0	0
Director	Peter Shu	2,130,000	0	2,130,000	0
Independent Director	Tzung-Chen Chen	0	0	0	0
Independent Director	Leo Hong	0	0	0	0
Independent Director	Grace Chen	0	0	0	0
Shareholder who holds more than 10% of the Company's shares	MATCH SPORTS INTERNATIONAL CO., LTD.	(2,000,000)	0	(2,000,000)	0
Shareholder who holds more than 10% of the Company's shares	Mu Mu Sports International Limited	0	0	0	0
President	David Ma	0	0	0	0
Chief Operating Officer and Vice President	Nick Lin	0	0	0	0
Vice President	Jack Wang	0	0	0	0
Vice President	Cybill Wu	0	0	0	0
Vice President	Weilly Chen	0	0	0	0
Special Assistant to the Chairman and Spokesperson	Benjamin David Metcalf	2,000	0	2,000	0
Corporate Governance Manager and Acting Spokesperson	Fu-Sheng Ku	2,000	0	6,000	0
Accounting Supervisor and Financial Officer	Vincent Kang	0	0	0	0
Audit Manager	Meg Hu	0	0	(1,000)	0

(II) Where counterparties of the equity transfer by directors, supervisors, managers, and major shareholders whose shareholding ratio exceeds 10% are related parties: No such situation.

(III) Where counterparties of the pledge loan by directors, supervisors, managers, and major shareholders whose shareholding ratio exceeds 10% of the pledge loan are related parties: No such situation.

VIII. Information disclosing where there are related parties, spouses, or relationships of kinship within second degree among any of the top ten shareholders, and the relationship between them

March 30, 2026; Unit: Shares: %

Name	The individual holds shares		Shares held by spouse and minor children		Total combination of shares by nominee arrangement		Titles, names, and relationships where there are related parties, spouses, or relationships of kinship within second degree among any of the top ten shareholders		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
MATCH SPORTS INTERNATIONAL CO., LTD.	58,853,185	29.41	0	0	0	0	None	None	None
Responsible person/corporate representative: Patrick Chen (Note)	1,991,000	0.99	0	0	118,193,924	59.07	None	None	None
Mu Mu Sports International Limited	30,055,555	15.02	0	0	0	0	None	None	None
Responsible person/corporate representative: Patrick Chen (Note)	1,991,000	0.99	0	0	118,193,924	59.07	None	None	None
Spread Idea Co., Ltd. Trust Account	16,666,666	8.33	0	0	0	0	None	None	None
Responsible person/corporate representative: Patrick Chen (Note)	1,991,000	0.99	0	0	118,193,924	59.07	None	None	None
Citi (Taiwan) Commercial Bank entrusted with the custody of the investment account of Nomura International Co., Ltd., a client of Nomura International (Hong Kong) Limited	9,499,000	4.75	0	0	0	0	None	None	None
Spread Idea Co., Ltd.	9,000,000	4.50	0	0	0	0	None	None	None
Responsible person/corporate representative: Patrick Chen (Note)	1,991,000	0.99	0	0	118,193,924	59.07	None	None	None
Li-Yang Lai	8,103,962	4.05	0	0	0	0	None	None	None
Citi Custody Citi Global Market - Asia Pacific Comprehensive Stock Finance	5,525,874	2.76	0	0	0	0	None	None	None
Lu Lu Sports	3,618,518	1.81	0	0	0	0	None	None	None

Name	The individual holds shares		Shares held by spouse and minor children		Total combination of shares by nominee arrangement		Titles, names, and relationships where there are related parties, spouses, or relationships of kinship within second degree among any of the top ten shareholders		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
International Limited									
Responsible person/corporate representative: Patrick Chen (Note)	1,991,000	0.99	0	0	118,193,924	59.07	None	None	None
Phase II investment from Taishin Life Insurance discretionary stock investment account managed by Taishin Securities Investment Trust	2,874,000	1.44	0	0	0	0	None	None	None
Mercuries Life Insurance Inc.	2,333,000	1.17	0	0	0	0	None	None	None

Note: 100% shares in Match Sports International Co., Ltd., Mu Mu Sports International Limited, Lu Lu Sports International Limited, Spread Idea Co., Ltd. Trust account and Spread Idea Co., Ltd. Held by Wei-Chia Chen.

IX. The number of shares held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same investee company, and calculate the comprehensive shareholding ratio together

March 31, 2026; Unit: Thousand shares; %

Investee company	The Company's investment		Investment of directors, supervisors, managers and businesses that are directly or indirectly controlled		Total comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Sports Gear Co., Ltd.	5,036	100%	0	0	5,036	100%
All Wells	48,500	100%	0	0	48,500	100%
Elephant	82,030	100%	0	0	82,030	100%
Fongyuan	37,740	100%	0	0	37,740	100%
SPG Singapore	1,000	100%	0	0	1,000	100%
Silk Invest International Co., Ltd.	(Note)	100%	0	0	(Note)	100%
Chi Hung Co., Ltd.	(Note)	100%	0	0	(Note)	100%
All Wells International Co., Ltd.	(Note)	100%	0	0	(Note)	100%
Can Sports Shoes Co., Ltd.	(Note)	100%	0	0	(Note)	100%

Investee company	The Company's investment		Investment of directors, supervisors, managers and businesses that are directly or indirectly controlled		Total comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Can Sports Vietnam Co., Ltd.	(Note)	100%	0	0	(Note)	100%
Dai Hoa Co., Ltd.	(Note)	100%	0	0	(Note)	100%
August Sports Co., Ltd.	(Note)	100%	0	0	(Note)	100%
Fireman	(Note)	100%	0	0	(Note)	100%
Sports Gear (Myanmar) Co., Ltd	(Note)	100%	0	0	(Note)	100%
PT Can Sports Industrial Indonesia	(Note)	100%	0	0	(Note)	100%
SGP	9,000	100%	0	0	9,000	100%
FIL	(Note)	100%	0	0	(Note)	100%
Zhihui	(Note)	100%	0	0	(Note)	100%

Note: It is a limited company and has no shares issued.

D. Fundraising Situation

I. Capital and shares

(I) Sources of capital

1. Capital formation process

Unit: Thousand shares; NT\$ thousand

Year, month	Issue price (NT\$)	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount (USD)	Number of shares	Amount (USD)	Sources of capital	Capital increased by assets other than cash	Other
2017.03	1	500,000	500,000	2,000	2,000	Establish share capital	-	-
2017.07	1	500,000	500,000	4,000	4,000	Debt converted to capital increase	-	(Note 1)
2017.12	1	500,000	500,000	174,261	174,261	New shares issued by organizational restructuring	-	(Note 2)
Face value converted to NT\$10								
Year, month	Issue price (NT\$)	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount (NTD)	Number of shares	Amount (NTD)	Sources of capital	Capital increased by assets other than cash	Other
2018.12	10	500,000	5,000,000	174,261	1,742,606	-	-	-
2021.04	10	500,000	5,000,000	196,046	1,960,456	Cash capital increase 217,850 thousand NTD	-	(Note 3)
2025.02	10	500,000	5,000,000	199,789	1,997,891	Domestic corporate bonds converted into common stock 3,744 thousand shares	-	(Note 4)
2025.03	10	500,000	5,000,000	200,095	2,000,951	Domestic corporate bonds converted into common stock 306 thousand shares	-	(Note 5)

Note 1: Chairman Patrick Chen used his personal 100%-owned investment company to remit investment funds totaling US\$4,000 thousand at the establishment of the Company. The Company was established in March 2017 and registered with a capital of US\$2,000 thousand. The difference is accounted for in the accounting treatment of temporary receipts. The item was re-registered as capital in July 2017, and the accounting treatment was regarded as a debt-to-capital increase.

Note 2: On December 27, 2017, the Board of Directors resolved to convert 100% of the shares of INsport International Co., Ltd. (Samoa) (share exchange ratio 0.0054:1 share). In addition, it signed a share subscription agreement with shareholders of Elephant and Fongyuan to purchase new company-issued shares with the equity of Elephant (share exchange ratio 1.0983:1 share) and Fongyuan (share exchange ratio 3.6402:1 share).

Note 3: The letter Tai-Zheng-Shang II No. 11017001621 dated January 19, 2021 from the TWSE stated that the capital increase report was effective.

Note 4: Domestic corporate bonds converted into common stock: Approved by Taiwan Stock Exchange Corporation on March 17, 2025.

Note 5: Domestic corporate bonds converted into common stock: Approved by Taiwan Stock Exchange Corporation on April 15, 2025.

2. Shareholding type

March 31, 2026; Unit: Shares

Shareholding type	Authorized capital			Remarks
	Shares issued and outstanding	Un-issued shares	Total	
Common shares	200,095,061	299,904,939	500,000,000	

(II) List of major shareholders: Shareholders holding more than 5% of the shares or the names, shareholding ratios, amounts, and proportions of shares held of the top ten shareholders

March 30, 2026; Unit: shares; %

Names of major shareholders	Shares	Number of shares held	Shareholding ratio
MATCH SPORTS INTERNATIONAL CO., LTD.		58,853,185	29.41
Mu Mu Sports International Limited		30,055,555	15.02
Spread Idea Co., Ltd. Trust Account		16,666,666	8.33
Citi (Taiwan) Commercial Bank entrusted with the custody of the investment account of Nomura International Co., Ltd., a client of Nomura International (Hong Kong) Limited		9,499,000	4.75
Spread Idea Co., Ltd.		9,000,000	4.50
Li-Yang Lai		8,103,962	4.05
Citi Custody Citi Global Market - Asia Pacific Comprehensive Stock Finance		5,525,874	2.76
Lu Lu Sports International Limited		3,618,518	1.81
Phase II investment from Taishin Life Insurance discretionary stock investment account managed by Taishin Securities Investment Trust		2,874,000	1.44
Mercuries Life Insurance Inc.		2,333,000	1.17

II. Company's dividend policy and implementation

1. Dividend policy stipulated in the Company's Articles of Incorporation

According to the Company's Articles of Incorporation, the Company's business is in a growth stage. The Board of Directors must consider the Company's earnings, overall development, financial planning, capital needs, industry prospects, and the Company's future prospects for each fiscal year to ensure shareholder equity and profit; and in addition to the provision of employee remuneration and director remuneration in accordance with Article 121 of the Articles of Incorporation, the following shall be included in the net profit for the current period: (i) Payment of tax reserves for the respective fiscal year; (ii) Covering losses; (iii) Statutory surplus reserve (unless the statutory surplus reserve has reached the Company's paid-up capital), and (iv) The special surplus reserve required by the competent authority for securities in the Republic of China issued by the Board of Directors, or the reserve determined by Article 128 of the Articles of Incorporation. The Board of Directors shall allocate no less than 10% of the fiscal year's distributable surplus (excluding the cumulative surplus of the previous year) as shareholder dividends. The paid cash dividend shall not be less than 10% of the total dividend.

2. Dividend distribution discussed in the current year

The Company's 2025 dividend distribution proposal was passed by the board of directors on March 10, 2026. In accordance with the Company's Articles of Incorporation, shareholders' cash dividend of NT\$1,031,515 thousand may be distributed from the surplus. Based on the 200,095,061 shares issued by the Company that are entitled to participate in the distribution as of February 28, 2026, the distribution is NT\$5.15512584 per share, and the proposal relating to dividend distribution is expected to be approved for distribution by the shareholders' meeting on May 29, 2026.

3. When major changes in the dividend policy are expected, such changes should be explained: No major change in the Company's dividend policy.

III. The impact of the proposed stock dividend this year on the Company's operating performance and earnings per share:

The Company has not allocated stock dividends, so there is no impact.

IV. Remuneration of employees, directors, and supervisors: (The Company does not have supervisors)

1. The amount or scope of the remuneration of employees, directors, and supervisors stated in the Articles of Incorporation

During the trading period of the Company's shares in the designated securities market, unless otherwise provided by the Cayman Company Law, the Public Offering Company Act or the articles of association, if the Company makes a profit during the year, it shall allocate no less than 2% of the profit. Employee remuneration (hereinafter referred to as "employee remuneration"), the payment object of employee remuneration includes employees of the Company and affiliated companies who meet certain conditions, and the conditions are determined by the Company's Board of Directors. The Company can allocate no more than 2% of the preceding profit as remuneration of directors (excluding independent directors) (hereinafter referred to as "director remuneration"). Employee remuneration and directors' remuneration distribution proposal shall be carried out by the resolution of two-thirds or more of the directors of the Board of Directors in attendance and more than half of the attending directors, and shall be reported to the shareholders' meeting. However, when the Company still has accumulated losses, it shall reserve the amount for compensating such losses in advance, and then allocate employee remuneration and director remuneration in accordance with the aforementioned proportions. The term "profit" in this item refers to the profits before tax from which employee remuneration and director remuneration have not yet been deducted.

2. Basis for estimating the amount of remuneration of employees, directors, and supervisors for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period

The remuneration of the Company's employees, directors, and supervisors is based on the estimated distributable amount stated in the Company's Articles of Incorporation. If there is a difference between the estimated cost of the current period and the resolution of the shareholders' meeting, it will be adjusted and recorded in the year of the resolution.

3. Remuneration distribution approved by the Board of Directors

(1) Employee, director, and supervisor remuneration will be distributed in cash or stock. In case of any discrepancy between the amounts and the amortized estimates for the year, the differences, reasons, and processing should be disclosed

On March 10, 2026, the board of directors resolved to pay director remuneration and employee bonuses of NT\$12,400 thousand and NT\$38,153 thousand in cash respectively; there are no differences in the amounts of director remuneration and employee bonuses between the 2025 assessment and consolidated financial report.

(2) The ratio of the amount of employee remuneration distributed in stock to the total net profit after tax and total employee remuneration for the current period: No such situation.

4. Shareholders' meeting reports on the status and results of the remuneration distribution

The 2025 director remuneration and employee dividend distribution plan are expected to be reported in the shareholders' meeting on May 29, 2026.

5. The actual distribution of remuneration for employees, directors, and supervisors in the previous year (2024) (including the number of shares distributed, amount, and price per share), and discrepancies with the remuneration of employees, directors, and supervisors, and the reasons and processing

The Company's 2024 directors' remuneration and employee bonus distribution plan has been submitted to the shareholders' meeting on May 23, 2025, and the actual distribution amount is consistent with the amount proposed by the board of directors.

V. Buyback of treasury stock: No such situation.

VI. Profile of corporate bonds

The handling of corporate bonds (including overseas corporate bonds): **Profile of corporate bonds**

Type of Corporate Bonds		First unsecured convertible bonds
Date of issue (handling)		October 31, 2024
Face value		Total face value NT\$1 billion
Issuance and trading location		-
Issue price		114.23 (Premium issuance, auction)
Total		Total amount NT\$1,142,329,570
Interest rate		0%
Tenor		3 years Maturity date: October 31, 2027
Guarantor		-
Trustee		Trust Department, Mega International Commercial Bank
Underwriter		Yuanta Securities Co., Ltd.
Certifying lawyer		Lawyer Song Tian-Xiang, Lee and Li Attorneys at Law
Certified public account		CPAs Amy Chiang and James Wu from Deloitte Taiwan
Repayment method		Unless the bonds are redeemed or converted by the Company in advance, or repurchased and canceled by the Company through Taipei Exchange, the bonds shall be redeemed by the Company in a lump sum in cash at the maturity date.
Outstanding principal		NT\$1 billion
Terms of redemption or early repayment		Refer to the Issuance and Conversion Regulations for details
Restriction clauses		Refer to the Issuance and Conversion Regulations for details
Names of credit rating agency, rating date, results of rating of corporate bonds		-
Other rights attached	Amount converted (exchanged or subscribed) to ordinary shares, GDRs, or other negotiable securities up to the date of annual report publication	NT\$409,000,000
	Issuance and Conversion (Exchange or Subscription) Regulations	Refer to the Issuance and Conversion Regulations for details
Issuance and conversion, exchange or subscription regulations, potential dilution caused by issuance conditions, and effect on shareholders' equity		Assuming that holders of the convertible corporate bonds all convert the bonds into ordinary shares at the price of NT\$101, the maximum possible dilution is 5.05%. Hence, it will not have a material impact on shareholders' equity.
Name of custodial institution		-

VII. Handling situation of preferred shares: No such situation.

VIII. Status of participation in the issuance of overseas depository receipts: No such situation.

IX. Handling situation of employee subscription right certificates: No such situation.

X. Status of new restricted employee shares: No such situation.

XI. M&A handling situation

(I) In ongoing mergers or acquisitions, the following matters should be disclosed: No such situation.

(II) In ongoing spin-offs, the following matters should be disclosed: No such situation.

XII. Processing for the issuance of new shares by transfer of shares of other companies: None.

XIII. Financing plans and implementation

By the quarter preceding the printing date of the annual report, the Company had no previous issuances or private placements of securities outstanding, or completed within the last three years, for which the benefits of the program had not yet been demonstrated.

E. Operation Overview

I. Business activities

(I) Business Scope

1. The main activities of the Company's business

The Company is currently engaged in the manufacturing of OEM footwear products, primarily sports shoes and casual shoes and some custom-made shoes. Sports shoes used to be the mainstay, but in recent years, casual shoes have gradually become equally important owing to changes in consumer preferences. The Company mainly manufactures for international brands such as Group A, Group B, Group C and Group D.

2. Business sources

Unit: NT\$ thousand; %

Product name	2024		2025	
	Sales amount	Sales Proportion	Sales amount	Sales Proportion
Sports shoes	15,642,102	84.81	16,418,901	80.59
Casual footwear	2,545,948	13.80	3,687,802	18.10
Other	255,808	1.39	267,266	1.31
Total	18,443,858	100.00	20,373,969	100.00

3. The Company's current products (services)

- A. Soccer shoes, American football shoes
- B. Footwear for jogging, hiking, and general leisure
- C. Baseball shoes

4. New products (services) planned to be developed

Though countries around the world are recovering from the pandemic in the past few years, OEM/ODM shoe manufacturing has gradually shifted from China to Vietnam, Indonesia and Cambodia due to manpower cost. The Company has also set up factories in Vietnam and Cambodia, and have been actively making plans for Indonesia and other Southeast Asian countries in recent years. Although it is an OEM for brand customers, the Company diligently incubates R&D teams and creates development centers to work closely with customers from the advent of prototype design to the mass production of products. We always stay close to market trends, and with our professional technology and years of experience in the industry, we constantly improve our shoe manufacturing capabilities in line with the market trends, while introducing new technologies and formulas that take advantage of both automated and semi-automated machines. This approach provides brand customers not only with excellent footwear products but also with pertinent solutions based on automation data, and eventually we develop innovative services

together with brand customers. We expect to increase our competitiveness in the industry and become a partner to grow with international brands.

(II) Industry Overview

As the global economy recovers from the impact of the pandemic, and the overall business environment gradually becomes less uncertain, 2025 has become a crucial turning point in the post-pandemic era. Compared to the period from 2023 to 2024, which was impacted by high inflation and geopolitical conflicts, the global economy in 2025 has experienced slowing inflation. However, countries around the world have been forced to continuously review and optimize their trade policies and tariff systems in response to the tariff policy adjustments made by the United States. This has led to further structural readjustments to global economic trade clusters, bringing about new opportunities and renewed momentum for industrial layout and supply chain development.

Statista.com estimates that the global footwear market will earn almost NT\$500 billion in total revenue in 2025. Following the 2024 Paris Olympics, the 2025 FIFA Club World Cup, 2026 FIFA World Cup, 2027 AFC Asian Cup, and 2028 Los Angeles Olympics will continue to drive the development and sales of sports footwear and other functional sports products. Additionally, as negotiations in various countries start showing results, a new round of tariff policies and trade stances have been finalized for the moment. However, future rulings by the US courts still need to be monitored. Brands and OEMs have needed to constantly review their current production allocation in response to the risk and cost impacts from changes in tariff policies. The continued and active efforts from some brands to diversify production locations have helped to enhance supply chain resilience, reducing the impact of policy changes in a single country on their overall operations. This has also prompted OEMs to continuously optimize their production allocation, order flexibility, and long-term investment strategies. The market has generally taken a wait-and-see approach to the economic outlook for the first half of 2026, and expects growth momentum to emerge in the second half of the year. Overall, the economic outlook is characterized by high volatility amidst low growth, although with a low likelihood of recession. A cautiously optimistic assessment can be maintained. Statista forecasts that the global sports footwear market is expected to grow to approximately US\$37.4 billion by 2030. Due to the characteristics of the footwear industry, i.e., although a wide range of machines and automation equipment are used in the process, there is still a large number of manual processes that cannot be replaced. This labor-intensive feature is also shown by the fact that China, Vietnam and India ranked among the top three of footwear exports in 2024,

so it is estimated to continue to maintain its position as an Asian OEM center.

1. Industry status and development

The World Economic Outlook report released by the International Monetary Fund (IMF) at the end of January 2026 projects global economic growth in 2026 to be 3.3%, a slight upward revision compared to the October 2025 forecast. This growth is mainly attributed to the continued investment in AI-related technologies, support from fiscal and monetary policies, looser financial conditions, and the capabilities of businesses to adapt to new business conditions, all of which combine to help offset the impact from changes in trade policies to some extent.

The IMF also projects global inflation to fall to 3.8% in 2026, and further decline to 3.4% in 2027. Compared to the 4.1% inflation projected for 2025, this indicates a continued downward trend in projected global inflation. However, inflation differs significantly among different economies. The United States has made relatively slow progress in bringing inflation back to a target level, while other countries are still challenged by sticky inflation. The overall global economic outlook should still be taken with caution, due to uncertainties such as the potential for expected AI investments and production to be revised, renewed trade tensions, expanding geopolitical conflicts, as well as potential pressure on financial conditions from high levels of government debt. Looking ahead to the medium term, AI technologies are expected to effectively enhance productivity and in turn boost economic activity, while trade policies are expected to simultaneously promote fiscal reconstruction, maintain financial stability, reduce uncertainty, and deepen structural reforms, leaving room for global economic growth to exceed expectations.

World Economic Outlook Growth Projections

(Real GDP, annual percent change)	ESTIMATE	PROJECTIONS	
	2025	2026	2027
World Output	3.3	3.3	3.2
Advanced Economies	1.7	1.8	1.7
United States	2.1	2.4	2.0
Euro Area	1.4	1.3	1.4
Germany	0.2	1.1	1.5
France	0.8	1.0	1.2
Italy	0.5	0.7	0.7
Spain	2.9	2.3	1.9
Japan	1.1	0.7	0.6
United Kingdom	1.4	1.3	1.5
Canada	1.6	1.6	1.9
Other Advanced Economies	1.8	2.0	2.1
Emerging Market and Developing Economies	4.4	4.2	4.1
Emerging and Developing Asia	5.4	5.0	4.8
China	5.0	4.5	4.0
India	7.3	6.4	6.4
Emerging and Developing Europe	2.0	2.3	2.4
Russia	0.6	0.8	1.0
Latin America and the Caribbean	2.4	2.2	2.7
Brazil	2.5	1.6	2.3
Mexico	0.6	1.5	2.1
Middle East and Central Asia	3.7	3.9	4.0
Saudi Arabia	4.3	4.5	3.6
Sub-Saharan Africa	4.4	4.6	4.6
Nigeria	4.2	4.4	4.1
South Africa	1.3	1.4	1.5
Memorandum			
Emerging Market and Middle-Income Economies	4.3	4.1	4.1
Low-Income Developing Countries	4.6	5.1	5.1

Source: IMF, *World Economic Outlook Update*, January 2026

Note: For India, data and projections are presented on a fiscal year (FY) basis, with FY 2025/26 (starting in April 2025) shown in the 2025 column. India's growth projections are 6.3 percent for 2026 and 6.5 percent for 2027 based on calendar year.

INTERNATIONAL MONETARY FUND

IMF.org/pubs

Source: IMF 2026 World Economic Outlook

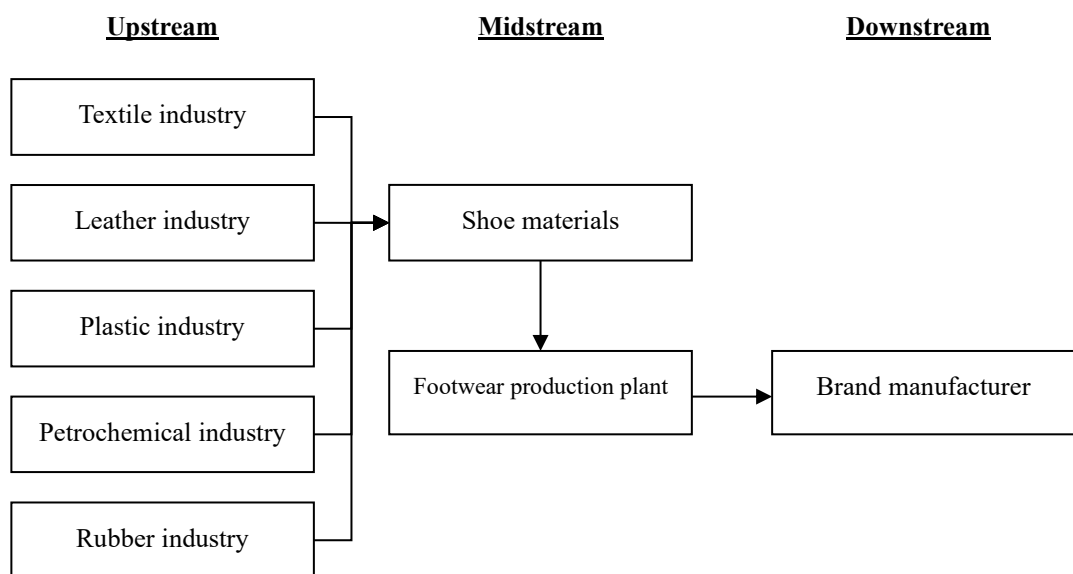


Source: IMF 2026 World Economic Outlook

The Company’s main business operations were initially as an OEM producer of footwear, focusing on sports footwear manufacturing techniques as the cornerstone of our business. In recent years, thanks to the global fitness boom, promotion from global sporting events, and the evolution of fashion trends, sports shoes have advanced past their limitations as purely functional footwear, and evolved into a fashion item for everyday wear. With the return of retro trends and the growing prevalence of e-commerce, consumer demand has become increasingly diverse and continues to change rapidly. In view of these developments, the Company has not only sought to consolidate our existing competitive advantage as a sports footwear manufacturer, but has also actively collaborated with our brand customers to invest into developing more diverse styles of casual and functional footwear. This allows us to accurately grasp market trends and comprehensively meet different customer lifestyle needs.

In summary, while the footwear market in 2025 was affected by increased tariffs, cost pressures, and brands holding onto high levels of inventory stock, data from Expert Market Research shows that the footwear market is expected to experience a compound annual growth rate of up to 4.9% between 2026 and 2035, achieving US\$706.6 billion in annual sales by 2035. The Company therefore still maintains a stable and cautiously optimistic view of the future growth of the footwear industry.

2. Connections to the industry's up-, mid-, and downstream industry



The upstream of the footwear industry mainly supplies raw materials such as textiles, leathers, and chemicals, and shoe materials for different parts of the shoe need to be divided into different raw materials for production. The midstream includes shoe materials and shoe factories. Due to the long history of the shoe-making industry, the types of shoe materials are very diverse. Shoes with different functions have their own special materials. In addition, shoe materials require different raw materials for production. The soles of sports shoes are made by TPU, thermo-compression molding or Ethylene-Vinyl Acetate (EVA), and the uppers are made of synthetic leather, mesh, or leather (artificial leather or genuine leather). In addition, the shoe industry has a huge market, so it is no exaggeration to say that shoe materials have developed into a special application field. Shoe manufacturers are responsible for the development of shoe shapes and the production of finished shoes. After multiple production processes, shoe materials are combined to make a

pair of shoes. Downstream brand vendors are responsible for product development and design, either solely on their own or by commissioning shoe plants; they then commission the footwear plants to produce the designed shoes before selling them to consumers through the brand manufacturers' own channels or agents.

The Company is a mid-stream footwear manufacturer. The Company's main OEM clients are major international brand manufacturers. It is a pure OEM, and in recent years, it has continuously advanced its shoemaking technology and increased production efficiency. It also provides exclusive development centers for its major brand clients, thus securing its client relationships and establishing a good competitive advantage for the Company.

3. Various development trends of products

(1). Green production and sustainable development

As extreme climate change becomes intertwined with sustainability awareness in today's world, corporations can no longer choose to ignore ESG, but instead need to manage ESG concerns in order to achieve exceptional business performance. With the rise of green transformation trends and more prevalent information transparency requirements, environmental friendliness issues have redefined how companies compete across the global supply chain. Although the footwear industry is not traditionally classified as a heavy industry, the global sports footwear industry generates up to 700 million metric tons of CO₂ emissions annually. The industry's carbon footprint should not be underestimated. This is especially true under the current fast fashion trend, where shorter consumption cycles have led to increased pressure on waste disposal. Faced with these challenges, Sports Gear Co., Ltd. deeply understands the importance of "responsible consumption" and "circular production", and we have viewed transformation as the driving force behind continued innovation. Our brand customers have also committed to optimizing low-carbon production processes and incorporating the use of environmentally-friendly materials, striving to fulfill firm commitments to environmental protection while pursuing exceptional functional performance in their products. Only by integrating sustainability into the core of the Company's brand, can we build a resilient and mutually beneficial future in a rapidly-changing market. According to the industry trend, it is predicted that the sustainable footwear market value may reach US\$13.6 billion by 2030. Hence, the management and optimization of sustainable development and carbon emission have also become research topics not to be ignored by local and foreign companies. VIVAIA, a popular global brand from the United States,

has focused on “elegance, comfort, sustainable” as its core values. The two “I”s in the brand name refer to the brand’s iconic shoe material made from recycled plastic bottles, fully embodying VIVAIA’s commitment to environmental protection and innovation. VIVAIA shoes feature uppers primarily made from recycled PET plastic bottles and other recycled materials. These recycled materials are first processed into yarn, then woven into the desired shoe shape. The brand emphasizes how it has managed to reduce waste and energy consumption during the production process, pursuing zero-waste production and reducing the fashion industry’s environmental impact. The brand has won the favor of female celebrities from all across the world, including from Europe, the US, and South Korea, and has become a trendy fashion item sought after by many young women. At the same time, VIVAIA’s environmentally-friendly materials and zero-waste production philosophy has further drawn customer attention and recognition towards sustainability and environmental protection.

The world produces more than 22 billion pairs of shoes each year, but over 90% ultimately end up in landfills, indicating how the footwear industry still has much progress to be made towards implementing a circular economy. In 2025, the sustainable fashion initiative Fashion for Good collaborated with 14 international brands including Adidas and Puma to launch the "Closing the Footwear Loop" project. The project aimed to transform the footwear industry from the current linear production model to a circular model, and includes measures such as taking inventory to track where waste footwear ends up, developing circular design guidelines, and testing innovative new recycling efforts for footwear reaching the end of their life cycle. Through these efforts, the project attempted to spark a systematic industrial transformation to promote the sustainable development of the footwear industry. The above examples show green transition has become an important issue all brands need to pay attention in order to move forward.

- (2). Product technology upgrades are moving toward development of smart shoes

In addition to the main function of improving sports performance, another important function of traditional sports shoes is to reduce the risk of sports injury. Sports technology has gradually gained greater attention in recent years, and has reshaped the innovation value chain for the sports footwear industry. The data-driven approach to sports science has led to developing footwear beyond simply being more shock absorbent, lightweight, or flexible, with shoes now able to provide scientifically-verifiable protective functions through

leveraging precise load management and recovery monitoring data. This has helped athletes maximize their competitive potential while ensuring safety. Faced with the rapidly-changing consumer market, the development of 3D printing technologies has led to its application in the early stages of footwear development. 3D printing allows designers to overcome the limitations of traditional physical shoe molds, enabling each shoe component to be precisely “printed” out. This not only allows designers to work with complex multi-layered shoe structures, but also create unique customized components, greatly shortening the R&D cycle and reducing development costs. Once this technology matures, it can also lead to the creation of an agile supply system able to keep up with the fast-paced market, enabling high value-added functional footwear incorporating multiple technologies to shift from concept to mainstream in the future. The Company considers innovation to be not just a core philosophy, but also the fundamental advantage allowing us to remain undefeated in a rapidly-changing market. Sports Gear Co., Ltd. will continue cultivating cross-disciplinary talent, and work together with our diverse customers around the world to develop limitless application scenarios and business opportunities for the sports footwear market.

(3). Smart footwear

In the past, the shoemaking industry was limited by the difficulties in standardization. In practice, it had to rely on manual adjustment, and the time wasted in changing the machines may also affect the delivery time. These are the main reasons why it is still being regarded as a traditional labor-intensive industry. In recent years, with the rise of retro-shoes which are more complex in manufacturing, the trend has become more labor intensive instead. However, with the impact of Covid 19 and the increasing labor cost in Southeast Asia over the years, factories are starting to reflect. In recent years, more brand customers are demanding for transparency in the production history of shoe manufacturers. In addition, with the raise in environmental awareness, ESG concepts have begun to receive attention, urging shoe factories to reduce inventory and comply with the spirit of local manufacturing. Faced with the challenges of the products’ added value, managing the cost more accurately and improving production efficiency through automation give rise to the concept of smart footwear. “Smart factory” is a specific form in the smart footwear industry. Starting from data digitization, big data is collected by information equipment in each process, and design is then made with parameters which increases production efficiency, and further reduces cost and

improves quality. In the shoemaking process, automated control systems (e.g. automatic cutting machines can improve material utilization by computing cutting positions, consolidate shipment after scanning the QRcode on the cartons) and are able to provide the products with more stable product quality. Besides being able to reduce manpower demand and achieve more efficient factory management, it can also reduce production and manufacturing cost. Product standardization not only produces fast and consistent output, but also improves customer reliability, and these are the keys for the shoemaking industry to excel in the highly competitive market in the future.

4. Product competitiveness

As a strategic partner for globally-renowned sports and leisure brands, Sports Gear Co., Ltd. is committed to building a production and service system able to meet high standards. In order to precisely meet the high quality and competitive costs required by international brands, the Company has continued to invest resources into the R&D of key technologies and the automation of production processes. By enhancing production efficiency through lean manufacturing, we ensure our ability to maintain both high production output and exceptional production stability, while also responding promptly to the volatile fluctuations in the global consumer market. With regard to operational risk management and globalization, the Company has not only created competitive advantages through building diversified production sites, but also actively assessed potential for developing emerging markets. By combining our extensive factory management experience with more recent digital governance developments, we have been able to demonstrate our strong competitive resilience. In the future, we will place an even greater emphasis on ESG and sustainable corporate management as a part of our competitiveness. Apart from continuing to optimize the resource use efficiency of our production processes, we will also further implement corporate social responsibility measures to deeply integrate sustainable transformation into business growth. The Company ultimately aims to create long-term mutual prosperity for our customers, shareholders, and society through continuous talent development and technological innovation.

(III) Technology and R&D Overview

1. Technical levels, research and development of the business

Since its establishment, the Company has continued its R&D in pursuit of its goal of producing high-quality products. R&D projects include the development and application of new shoe materials and the introduction and improvement of manufacturing technology. And the establishment of SGP in Portugal will specialize

in direct injection and automated production processes. In addition, it promotes the collection of production data through the Real Time System, and improves the stability, speed, and flexibility of production through big data analysis applications and cloud computing. The Company continues to invest in automation, innovative technology, process improvement, and shoe material development to meet brand client needs for high-quality products and services and quick market response. In this way, it will deepen cooperation with brand clients, increase mutual business dependence, and solidify the Company's status in the shoe industry.

2. R&D personnel and their academic experience

Unit: Number of people

Education	2021	2022	2023	2024	2025	As of February 28, 2026
PhD	0	0	0	0	0	0
Master's degree	1	0	0	0	4	4
College (Technical school)/University	339	354	364	376	352	348
Below high school (inclusive)	278	621	695	702	304	339
Total	618	975	1,059	1078	660	691

3. Annual R&D expenditure invested in the most recent five years

Unit: NT\$ thousand; %

Item	2021	2022	2023	2024	2025
R&D expenses	300,856	381,738	418,345	503,860	578,635
Net operating revenue	12,335,924	18,524,986	14,207,689	18,443,858	20,373,969
Percentage of net operating revenue	2.44%	2.06%	2.94%	2.73%	2.84%

4. Successfully developed technologies or products in the most recent five years

Year	R&D results
2020	System protection and product safety upgrade Automatic direct injection technology application upgrade Shoe upper line drawing device assembly
2021	Introduction of warehouse cloud system Introduction of automatic guided vehicles (AGVs) Launch of smart factory projects

Year	R&D results
2022	Launch of smart production line project Robotic arms go online
2023	Introduction of IOT simulation and forecast scheduling system
2024	Self-developed shoe lacing tool Developed and mass produced new carbon-reducing environmentally friendly injection-molded sole materials
2025	Developed FCI scheduling framework

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

1. Short-term development plan

(1). Marketing strategy

- A. Adopt a dual-track strategy of diversifying both product portfolios and brand channels, enhancing market penetration. This will not only allow the Company to establish a comprehensive sales network, but also enables us to monitor market trends and receive feedback in real time.
- B. Consolidate our position in existing markets while also actively expanding into blue ocean markets, developing high-growth potential customers and cultivating leading products for future markets.
- C. Continue widening our technological moat in professional sports footwear manufacturing while expanding into more diverse business operations. Increase the scale of our economic activities by actively developing functional footwear, expanding into the leisure footwear market, and establishing business operations in diverse fields.
- D. Align both technological and market demands by training diverse internal talent required for specialized footwear R&D, and collaborating with the business development strategies of our international brand customers.

(2). Production policy

- A. While maintaining good quality, research on increasing production efficiency.
- B. Continue enhancing awareness of teamwork among employees.

- C. Integrate cross-departmental cooperation strategies to improve communication bottlenecks among departments.
- D. Continue to cultivate local talents and increase the proportion of localization.
- E. Strengthen global production coordination and technology exchanges, enhancing international supply chain resilience.

(3). Financial strategy

Under the premise that profitability is not affected and in order to cooperate with the expansion of the business, capital increase or bank borrowing is performed to meet capital needs.

2. Long-term development plan

(1). Marketing strategy

- A. Establish dedicated R&D teams and collaboration centers for our core brand customers, and leverage our extensive technological expertise to explore innovative production processes to ensure that our product development continues to stay ahead of market trends, enhance services provided to brand customers, and produce footwear products more in line with market trends.
- B. Optimize our one-stop service model, encompassing the entire process from initial concept development to prototype design and final product development. Enhance stickiness with brand customers, with the eventual goal of becoming a core strategic supplier to our customers.
- C. Strengthen relationships with large customers while also actively implementing a diversified roadmap towards business growth. Leverage our extensive mass production experience and technological assets to collaborate with emerging brands that possess strong potential for future growth. Grow alongside our brand partners through a long-tail partnership strategy built on technological transfers and joint development projects.
- D. Promote the development of smart factories in line with AI and big data trends. Implement sensors and data analysis to simulate production arrangements, optimize production plans, and quickly identify and promptly address abnormalities. Combine both vision-based and automation support technologies to improve the precision and efficiency of some of our production operations, enhancing quality control, reducing costs, and improving

information sharing with customers. In summary, adopt smart factories and AI technologies to improve production efficiency and market adaptability while maintaining the advantages of labor-intensive production operations.

- E. Besides formulating parameters to set standardized processes based on the data collected, will develop towards the direction of semi-automation. With the setup of RPA to replace lengthy and repetitive data creation and manpower in organizing, it not only improves production efficiency and quality, but can also quickly respond to different customer needs while controlling manpower cost in the future.
 - F. Sports Gear Co., Ltd. deeply understands that sustainable operations lie at the core of a company's competitive capabilities. We regard environmental protection and digitalization as the twin engines driving future growth, and look to optimize our production efficiency through digitalized management measures, as well as implement low-carbon production processes. We also aim to improve our energy conservation and carbon reduction results through developing and using alternative energy sources and deeply integrating environmentally-friendly materials into production. We will take active measures to meet global social responsibility standards, and transform our production goals of reducing waste and environmental impact into a marketing advantage for brand customers, establishing long-term relationships built on shared values and trust.
- (2). Production policy
- A. In the face of international geopolitical risks and rising labor costs, the Company has adopted a strategy of globalized production alongside regional allocation. Apart from continuing to expand the scale of our production locations in Southeast Asia regions such as Indonesia, we have also actively assessed other potential locations around the world for setting up production nodes, building a multilateral supply network. By standardizing production through implementing data-driven standards, and using big data analysis to precisely track raw material losses and labor hour allocations, the Company is able to optimize output per worker and reduce production costs, ensuring that profitability is

maximized.

- B. Automation and digitalization will become the core driving forces behind increasing product competitiveness in the future, with smart factories being the best example. The Company will fully implement mechanical engineering (ME) technology and real-time data monitoring systems integrated under a smart warehouse management system (WMS), deeply integrating warehouse management operations with production lines. This can not only reduce manual operation risks, but also ensures stable quality, and enables us to quickly respond to issues to meet brand customer needs. We will continue investing into automated equipment, innovative processes, and developing advanced footwear materials. In the future, we will also further integrate AI applications into our operations to predict future production trends and optimize operational processes. Through this deep integration between technology and data, the Company will transform our operations from a traditional manufacturing business model into a highly adaptive smart manufacturing platform, helping brand customers seize opportunities in the rapidly-changing consumer market.
 - C. Establish first self-operated European production location in Portugal, marking an important milestone in the Company's global expansion. The new plant combines local manufacturing technologies with innovation capabilities, and is expected to gradually help the Company increase production capacity and product added-value, enhance services to European brand partners, and reduce international trade and logistics risks. At the same time, the Company will transfer mature technologies and management experience to our Vietnam plant, promoting the joint development of different operating locations through collaboration while also increasing production capabilities, in turn strengthening the flexibility of the global supply chain and brand collaboration advantages. These plans demonstrate the Company's forward-looking strategic approach to global expansion, and the transformation towards a high value-added footwear manufacturing business model.
- (3). Financial strategy

- A. The Company makes the best use of the financial market's funding options (such as syndicated loans, corporate bonds) to obtain lower-cost capital for its operating resources used to finance the establishment of new plants in different countries.
- B. Based on the principle of sound monetary policy, use financial management tools to gain efficiency in capital utilization and creation of added value.

II. Market, production, and sales overview

(I) Market analysis

1. Sales (Provided) Regions of Main Products (Services)

The sales market of the Company in the last two years has been dominated by Europe and the Americas; the continents accounted for about 80% of the Company's revenue. The ratios by sales region for the last two years are shown in the following table:

Unit: NT\$ thousand; %

Sales regions		2024		2025	
		Amount	Ratio	Amount	Ratio
Domestic sales (Note)		0	0	0	0
Exports	Europe	6,796,448	36.85	7,425,902	36.45
	The Americas	7,699,784	41.75	8,945,017	43.90
	Asia	3,301,188	17.90	3,248,278	15.94
	Other	646,438	3.50	754,772	3.70
Total		18,443,858	100.00	20,373,969	100.00

Note: "Domestic sales" refers to sales in Taiwan.

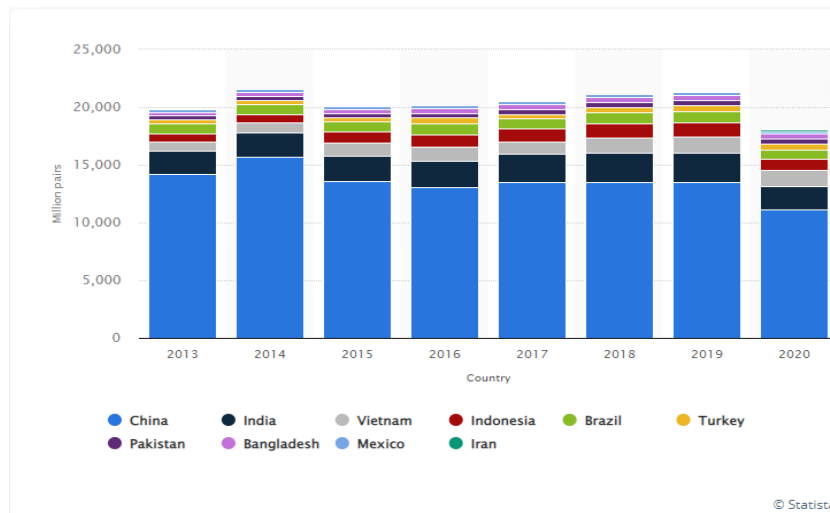
2. Market share

The Company has long been devoted to bolstering its technical strength and accumulating copious experiences in the industry. Aligning with the revolutionary elements and materials in recent years, the Company continues the partnership with international brands to provide high-quality footwear products, and innovative services and solutions. Before COVID-19 hit, the Company sold approximately 40 to 44 million pairs of shoes per year, with soccer shoes being the majority. Currently, the global soccer shoe market reports approximately 90 to 100 million pairs per year, and the Company and its subsidiaries account for approximately one-fifth.

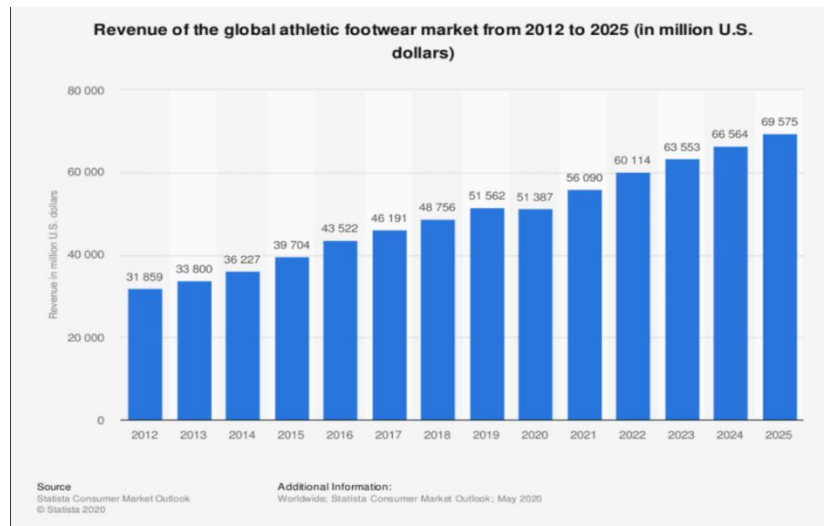
3. The market's future supply, demand status, and growth

The heart of the global shoe manufacturing has shifted as follows. In the early years, the hub was Western Europe, such as the coastal regions in Italy and Spain. In the 1980s, it shifted to the Four Asian Dragons, such as Taiwan and South Korea, and Japan, which were experiencing an economic

boom and relatively low manufacturing costs. In the 1990s, it shifted to Guangdong and Wenzhou in Mainland China, where costs were lower. In modern times, the focus shifted to Southeast Asia, such as Vietnam and Malaysia. The history indicates that for the past three decades, global footwear production has been revolving around Asia, which accounted for 90% of the global footwear output in 2019. As labor costs increase, the footwear industry is now moving to Myanmar, Cambodia, India and other countries where cheaper labor is available.



Source: Statista



Source: Statista

In a broader sense, footwear products can be classified as consumer necessities. With the growing population, increasing disposable income, and the popularity of sports as a result of the rise in health consciousness, consumer demand for sports shoes continues to grow, and functions required are gradually changing. Therefore, in addition to increasing production

capacity and enhancing the functionality of sports shoes, footwear brands persist in the effort to innovate and diversify their products in the hope of expanding the target market of sports shoes to non-athletes and growing steadily in sports shoes and casual footwear markets in the future. According to Statista, the global footwear production volume was approximately 24.3 billion pairs in 2019. In 2020, the COVID-19 pandemic brought the production volume down to 20.5 billion pairs, 85% of which were produced in Asia. Also according to Statista, the footwear market revenue is estimated to be 488,289 million USD in 2022, and the overall footwear market is expected to grow at a rate of 7.65% per annum (compound annual growth rate) by 2025.

4. Competitive niche

(1). Professional management team

The Company has been in the shoe-manufacturing industry for more than 20 years, and its management team has been long immersed in the industry, possessing extensive knowledge in the professional field and rich practical experience. Through clear organizational structure and keen market observation, our management has efficiently integrated the resources of various departments, everything from product development, manufacturing, and production to sales can be carried out step by step according to plan. The exceptional tacit understanding and business philosophy of the management team form the core value of the Company; its accumulated professional services and technical capabilities have made the Company an indispensable important partner for clients, thereby creating a competitive niche for the Company in the industry.

(2). Stable quality that accords with international brand standards

The Company is committed to becoming a world-class professional manufacturer of sporting goods. It insists on product quality inspection and testing to enhance its competitiveness. The Company supplies OEM services for clients, who are all outstanding international sports and outdoor recreation brands. Its market share and R&D technology are second to none, giving the footwear products manufactured by the Company a competitive edge and high growth momentum in the sports and outdoor footwear market, thereby enhancing the Company's advantages in the OEM footwear industry.

(3). Possess R&D capabilities moving towards automation

In the past, the Company invested a large amount of annual R&D

resources in material research and development and process improvements. R&D projects include the development and application of new shoe materials and the introduction and improvement of manufacturing technology. To date, the Company has developed direct injection technology, and established SGP in Portugal and acquired FiL in Germany to specialize in automated production processes. In addition, it promotes the collection of production data through the Real Time System, and improves the stability, speed, and flexibility of production through big data analysis applications and cloud computing. Continue to invest in automation, innovative technology, process improvement, and development of shoe materials to meet brand client needs for high-quality products and services and quick market response. In this way, the Company will deepen cooperation with brand clients, increase mutual business dependence, and solidify the Company's status in the shoe industry.

(4). Multi-country production advantage

The Company has actively expanded its overseas production units. Our main production force is located in Southeast Asia. Currently, the Company has five production plants in Vietnam and one in Cambodia. Apart from expanding our existing plants, we have also built a new Indonesian plant which entered production in the fourth quarter of 2025. Moreover, the Company has set up a sole factory in Cambodia, which is competitive with the high labor costs in China. In addition, under EU tariff regulations, under-developed countries can enjoy tariff-free, duty-free benefits for goods other than military items (Everything But Arms, EBA) exported to the EU; Cambodia can enjoy this benefit. The European Commission (EC) officially announced on June 30, 2020, that the EU–Vietnam Free Trade Agreement (EVFTA) will take effect on August 1, 2020. After the agreement comes into effect, import tariffs on 65% of EU products exported to Vietnam will be abolished, and tariffs on other products will be gradually eliminated in the next 10 years; tariffs on 71% of Vietnam's products exported to Europe will also be abolished immediately after EU–Vietnam Free Trade Agreement (EVFTA) takes effect. Other product tariffs will be gradually abolished over the next 7 years. The EVFTA, with its various broad-reaching commitments, is expected to help promote Vietnam-Europe bilateral investment and economic relations, and at the same time accelerate the integration of

Vietnam into the international economy, which is conducive to Vietnam's innovation and modernization. In addition, in view of increasing global economic uncertainty, the Company is contemplating expanding the plant in Indonesia to effectively diversify political and economic risks in various regions.

5. Favorable and unfavorable factors of the Company's vision of development and their response measures

(1). Favorable factors

A. Rising health consciousness, growing sports trend around the globe, ubiquitous e-commerce

Global population ageing is contributing to greater health consciousness. Meanwhile, higher living standards and incomes are changing people's consumption patterns and philosophies over time. The more people value sports, travel and other activities that are beneficial to their physical and mental health, the higher the demand for sports footwear gets. The increased awareness of sports has boosted the market for the sports industry. The general population's demand for fitness and entertainment, competitive sports viewing and sports goods is growing. Also, e-commerce, which allows for quicker orders and deliveries, is becoming prevalent. People are more accustomed to this mode of consumption nowadays, and this in effect shortens the product cycle and makes demand even stronger. According to Allied Market Research, the global sports shoes market will reach 165 billion USD in 2030, a significant increase from 109.7 billion USD in 2020.

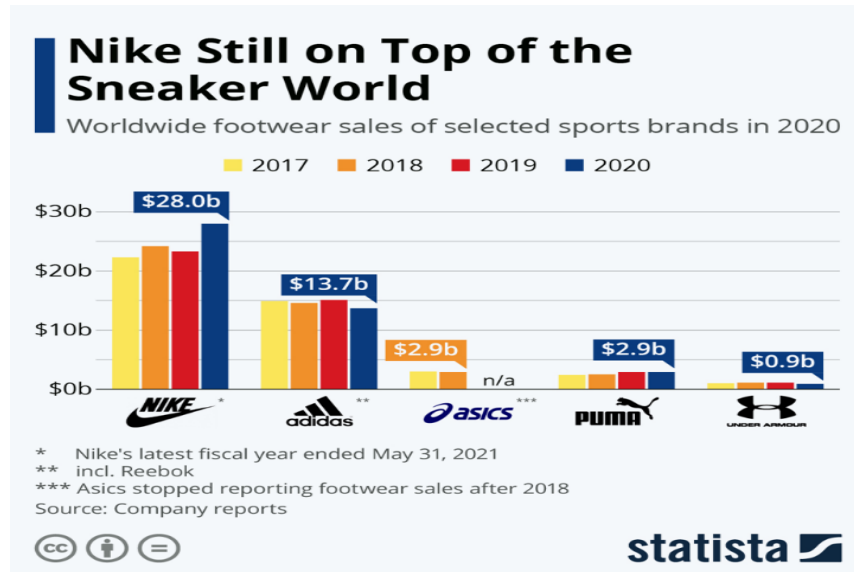
B. Impetus of sports events

Ever since the beginning of the 20th century, there has been a wave of global sports. COVID-19 has somewhat dampened the enthusiasm, but with large-scale international sports events held only once every few years such as the Olympics and FIFA World Cup, professional sports have developed to high levels of sophistication and sports health concepts have grown ever more ubiquitous, leading to the rapid growth of the global sports consumer market. The Company's staple products can be broadly divided into sports shoes, casual footwear and others, with soccer shoes being the mainstay of the sports shoes. The annual output value of the soccer industry reaches 500 billion USD. As the world's number one sport, soccer generates more than 43% of the total annual output value of the entire sports industry. Soccer, known as the

"17th largest economy in the world", is the world's most productive, popular and influential sport. Soccer is the largest single sport in the sports industry. Whether it is the FIFA World Cup held every four years, the annual UEFA Champions League, the English Premier League, the Spanish LaLiga, the Italian Serie A, the German Bundesliga or the French Ligue 1, there is a huge audience. Popular events and players' demand for soccer equipment drive the development of soccer, which in turn is beneficial to the soccer shoe industry.

C. The Company provides customer-specific services, and most of its clients are internationally known brands

According to Absolute Reports and Statista, Nike and Adidas accounted for 30% and 20%, respectively, of the global sports footwear revenue in 2020. The global sports footwear market is forecast to reach 95 billion USD by 2025, almost doubling the figure in 2016 (55 billion USD), which shows that the two giants Nike and Adidas are absolutely in the lead. The Company is an OEM mainly for international brands such as Group A, Group B, Group C and Group D. In addition to being recognized by many international brands, the Company provides a wide variety of high-quality products for its brand customers. From mass production to customized production, the Company can adjust its production methods to fulfill the different needs of its brand customers. The Company has dedicated R&D teams and development centers for major brands and works closely with its brand customers from product development to product prototyping. With its technical expertise and rich industry experience, the Company was awarded the CORE Innovation Cup by Group A in 2019 and 2020, and the Process Innovation Award by Group B in 2019.

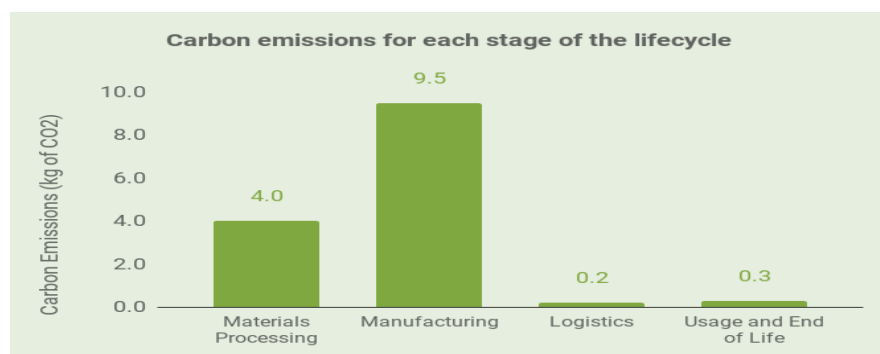


Source: Statista

(2). Unfavorable factors

A. Strict environmental standards

With the rising awareness of environmental protection, particularly pertaining to carbon footprint regulations, both governments and foreign institutions have gradually raised the threshold for environmental protection in laws and regulations. According to a 2013 MIT study, the average carbon footprint that the production of a pair of shoes imposed on the planet was about 13.6 kg. This is because most sports shoes are made primarily of plastic (or plastic-like) materials. All these petroleum-based plastics (polyester, thermoplastic polyurethane (TPU), polyethylene terephthalate (PET) and ethylene vinyl acetate (EVA)) produce alarming amounts of carbon dioxide, and the solvents and volatile gases used in the shoe manufacturing process are harmful to human health.



Source: MAKE FASHION BETTER

The long-term trend of development and the entrepreneurial spirit of sustainable development should not be neglected. We need to invest in the expansion of pollution prevention equipment, personnel education and training, and effective strategies that reduce environmental pollution to ensure that employees work in a safe and secure environment, and that the surrounding environment is pollution-free.

Countermeasures:

In response to the issue of sustainable environmental development, each plant has a social responsibility department responsible for handling plant-side environmental safety and health, socio-environmental affairs, energy and greenhouse gas management, and other matters; the department stays up-to-date on the environmental protection regulatory requirements on the market, and endeavors to understand future shoe production trends; it procures and updates pollution prevention equipment, promotes waste reduction plans, and develops new manufacturing processes, so that its product technologies meet environmental protection regulations and client demand.

B. Labor and manpower costs continue to rise

The attributes of the footwear industry cause it to be classified as a labor-intensive industry. The production process requires a significant amount of human resources. In recent years, labor wages have increased, resulting in a substantial increase in production costs; and labor awareness in production bases in Vietnam and Cambodia has gradually increased. The U.S.-China trade war has also made companies in various traditional industries skeptical of setting up factories in China. Vietnam has become the first choice because of its young human capital and competitive wages. This has resulted in the tightening of labor supply in Vietnam and continuous increase in labor costs related to basic yearly salary, employee benefits, and pensions, causing companies to face the pressures of rising costs and shrinking revenue growth and profitability. Furthermore, Vietnam tended to close cities and factories to cope with the impact of the COVID-19 pandemic, which increased the pressure on business operations.

Countermeasures:

The Company actively expands its overseas production units. In addition to the existing production plants in Vietnam and Cambodia,

and new plants in Cambodia and Indonesia, it is considering adding production bases in Indonesia and Myanmar to diversify labor costs throughout various regions. In addition, the Company continues to promote supply chain integration and various production capacity optimization measures to continue to improve its manufacturing processes and strengthen its plant automation process capabilities, while flexibly adjusting its capacity allocation and production mode to continuously improve overall production efficiency. Continuous improvements through the optimization of production line staff will improve production efficiency and reduce production costs.

C. Footwear products are consumed quickly

With the expansion of the sporting goods market, competition among various manufacturers has become increasingly heated. Internationally renowned manufacturers need to continue to introduce new products to cater to the changing preferences of consumers. Thus, each brand has shifted to a customer value-oriented mindset. For one single brand, there may be hundreds or even thousands of shoe models. If a manufacturer cannot respond to market changes immediately and launch new products, or does not have strong R&D capabilities to launch popular products, it will most likely be eliminated by the market.

Countermeasures:

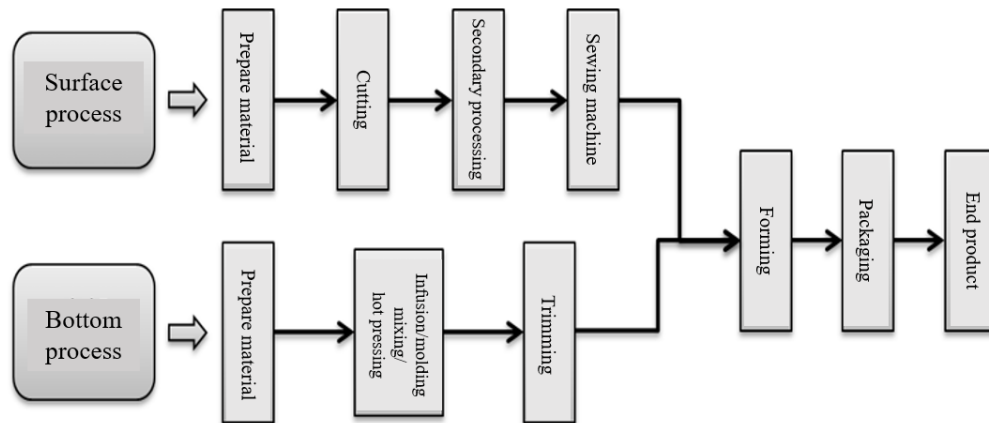
The Company actively sets up exclusive R&D teams and development centers for its major brand clients. From product development to product prototypes, we work closely with brand clients. With professional technical competence and years of industry experience, combined with innovative elements and materials, the Company continues to provide brand clients with high-quality footwear products, innovative services, and comprehensive solutions, with the aim of becoming a long-term partner of international brands. It also evaluates increasing the number of OEM brands and shoe types, focusing on high-end and high-value-added shoes. For internationally renowned brands, it strengthens and maintains customer brand relationships to conserve while also increasing market share in footwear OEMs and reducing risk from significant impact that a single upstream brand will have on the Company's operations.

(II) Important applications and production process of main products

1. Important applications of main products

Main products	Applications
Sports shoes	Mainly suitable for sports activities such as soccer, baseball, and jogging
Casual footwear	Does not require the elasticity, support, shock absorption, and durability for sports activities

2. Production process of main products



(III) Supply status of main raw materials

Main raw materials	Main suppliers	Supply status
Artificial leather	Group 1, Group 15, Group 12	Good
Outsole	Group 2, Group 3, and Group 15	Good
Packaging	Group 11, Group 12	Good
Glue	Group 12, Group 13	Good
Textiles	Group 8, Group 9, Group 16	Good

(IV) List of main procurement and sales clients

1. The names of suppliers that accounted for more than 10% of the total purchases in any of the last two years, their procurement amounts and proportions, and the reasons for changes

Unit: NT\$ thousand

Item	2024				2025				2026 up to the previous quarter			
	Name	Amount	Percentage of annual net purchases	Relationship with the issuer	Name	Amount	Percentage of annual net purchases	Relationship with the issuer	Name	Amount	Percentage of annual net purchases	Relationship with the issuer
1	Group 2	1,035,708	11.93	None	Group 2	789,193	9.23	None	(Note)			
	Other	7,647,621	88.07	None	Other	7,758,525	90.77	None				
	Net purchases	8,683,329	100.00		Net purchases	8,547,718	100.00					

Note: Up to the publication date of the annual report, there is no recent financial information audited or reviewed by a certified public accountant.

Description of changes: The business of the Company's major customers is stable; its main raw materials are supplied by more than two suppliers; and a good cooperative relationship has been maintained. There have been no major changes in major suppliers in the last two years.

2. The names of customers who have accounted for more than 10% of total sales in any of the last two years, their sales amount and proportion, and the reasons for increase or decrease

Unit: NT\$ thousand

Item	2024				2025				2026 up to the previous quarter			
	Name	Amount	Percentage of total annual net sales	Relationship with the issuer	Name	Amount	Percentage of total annual net sales	Relationship with the issuer	Name	Amount	Percentage of total annual net sales	Relationship with the issuer
1	Group A	10,388,365	56.32	None	Group A	11,568,535	56.78	None	(Note)			
2	Group B	6,191,568	33.57	None	Group B	5,739,778	28.17	None				
	Other	1,863,925	10.11	None	Other	3,065,656	15.05	None				
	Net sales	18,443,858	100		Net sales	20,373,969	100					

Note: Up to the publication date of the annual report, there is no recent financial information audited or reviewed by a certified public accountant.

Description of changes: The Company's main sales targets are primarily internationally renowned brand manufacturers. Its two major customers have not changed significantly in the last two years, and their amounts have not significantly changed, indicating that the Company has maintained a stable cooperative relationship with its major customers.

III. Number of employees

Number of employees in the most recent two years and up to the printing date of the annual report

Unit: People; February 28, 2026

Number of people		Year	2024	2025	Current year and up to February 28, 2026
Number of employees	Manager		18	21	20
	General staff		32,363	32,060	32,235
	Total		32,381	32,081	32,255
Average age			36.02	43.86	30.94
Average years of service			3.92	6.81	4.54
Education distribution ratio (%)	PhD		0	0	0
	Master's degree		0.15	0.2	0.19
	Undergraduate or technical degree		6.13	6.06	6.05
	High school diploma		16.83	13.96	14.45
	Below high school		76.89	79.78	79.3

IV. Environmental protection expenditure information

- (I) For those who are required to apply for a pollution facility installation permit or pollution discharge permit, or pay pollution prevention and control fees, or set up a dedicated unit of environmental protection personnel in accordance with laws and regulations, an explanation of their application, payment, or establishment:

The Company's Vietnamese subsidiaries Chi Hung, Can Sports Vietnam, All Wells, Dai Hoa Vietnam, and August Sports Vietnam have respectively obtained sewage installation permits, sewage discharge licenses, waste discharge permits, or have appointed qualified third-party professional organizations for cleaning and transportation of waste, and have set up a dedicated unit of environmental protection personnel, and have paid sewage discharge environmental protection fees on schedule. In addition, Cambodian subsidiary Can Sports Cambodia has obtained a waste water permit, a solid waste permit, a sludge permit, a hazardous liquid waste permit, and a hazardous solid waste permit, and has established a dedicated unit of environmental protection personnel, and has paid the sewage discharge environmental maintenance fee as scheduled.

(II) List the Company's investments in major pollution prevention equipment, its applications, and possible benefits:

December 31, 2025; Unit: NT\$ thousand

Equipment name	Quantity	Date acquired	Cost of investment	Un-discounted balance	Applications and expected benefits
Wastewater treatment equipment and systems	8	2007/12~2024/12	14,118	132	Industrial wastewater/sewage treatment
Automatic wastewater treatment monitoring system	1	2018/10	1,991	-	Industrial wastewater/sewage treatment
Exhaust equipment and systems	29	2006/1~2025/10	5,852	2,860	Reduced VOC concentration
Wastewater treatment equipment and systems	5	2011/11~2020/5	12,316	2,598	Industrial wastewater/sewage treatment
Exhaust equipment and systems	8	2012/4~2025/9	12,096	1,848	Reduced VOC concentration
Wastewater treatment equipment and systems	12	2014/4~2022/6	54,557	24,238	Industrial wastewater/sewage treatment
Exhaust equipment and systems	45	2018/2~2025/12	27,413	20,894	Reduced VOC concentration
Exhaust equipment and systems	3	2022/2~2022/9	4,215	2,845	Pollution control
Wastewater treatment equipment and systems	16	2011/12~2024/12	13,575	1,948	Industrial wastewater/sewage treatment
Exhaust equipment and systems	19	2012/7~2025/12	8,649	6,791	Reduced VOC concentration
Wastewater treatment equipment and systems	10	2016/4~2025/6	9,351	1,507	Industrial wastewater/sewage treatment
Exhaust equipment and systems	7	2016/1~2025/4	2,433	469	Reduced VOC concentration
Wastewater treatment equipment and systems	5	2020/5~2024/11	3,177	1,893	Industrial wastewater/sewage treatment

(III) In the last two years and up to the publication date of the annual report, the Company's process of improving environmental pollution; if it has had a pollution-related dispute, it should also explain the handling process: No such situation.

(IV) Explain the losses suffered by the Company due to environmental pollution in the last two years and up to the publication date of the annual report (including compensation and environmental protection audit results that have found violations of environmental protection laws or regulations, the date of disciplinary action, the name of the disciplinary action, the violation of laws

or regulations, the content of violations, and the disciplinary action should be listed), and disclose the estimated amount and corresponding measures that may occur at present and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated must be explained: No such situation.

- (V) The current pollution situation and the impact of improvement on the Company's earnings, competitive position, and capital expenditures, and expected major environmental capital expenditures in the next two years:

The Company and its subsidiaries do not have any major environmental capital expenditure plans for the next two years. Each of its subsidiaries has responded to the competent authorities for the improvement of the current pollution situation. All relevant environmental pollution cases have been rectified in accordance with the requirements of the competent authorities. The Company's earnings, competitive position, and capital expenditures were not significantly impacted.

V. Employer-employee relations

- (I) List the Company's various employee welfare measures, continuing studies, training, retirement systems and its implementation status, as well as the agreements between labor and management and various employee rights protection measures:

1. Employee welfare measures

In addition to fixed salaries, the Company and its subsidiaries pay production bonuses based on their operating situations to encourage employees to make long-term contributions and grow together with the Company, as well as to improve personal performance and talent retention.

Pursuant to local regulations and corporate culture, the Company and our subsidiaries also provide various employee benefits such as employee maternity allowances, child education subsidies, or discounts at partnered childcare institutions. We also organize events such as family days and parent-child activities from time to time, rewarding our employees for the hard work they put into raising their children. Each of our plants have set up labor unions or employer-employee meetings pursuant to local laws and regulations, and organize various employee benefits. Gifts are given to employees for important holidays (Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival), and birthday gifts or cash gifts are provided to colleagues on their birthdays. We also organize different celebration events based on the local festivals or celebrations, and hold group activities or

dinners from time to time, as well as providing travel subsidies, wedding and funeral subsidies, long-term gifts or cash gifts, emergency relief, and other benefits.

The Company cares about the health, safety and medical needs of employees, so high-protection group insurance and business travel insurance are provided. When they encounter accidents or illnesses, employees do not have to worry about medical expenses that may affect their financial situation.

2. Continuing studies and training of employees

The goal of training and development of the Company and its subsidiaries is to continuously improve the quality of human resources and their work skills, so as to create higher corporate value and achieve operational goals and future development. In order to achieve this goal, and in response to the rapid growth of the scale of operations, the Company and its subsidiaries have established a complete education and training structure, planning appropriate training for new recruits, professional training, management training at all levels, environmental safety and health training, and corporate culture courses to strengthen employees' comprehensive training and continuing education channels, and enhance employees' professional capabilities and core competitiveness through courses taught in physical classrooms.

In addition to professional training, the Company and its subsidiaries coordinate with employee career planning to arrange job rotations, encourage employees to learn and educate themselves in various ways, and strive to improve the overall quality of employees, as well as improve talent cultivation and development.

3. Retirement plan

The Company and its subsidiaries have established retirement management measures in accordance with the Labor Standards Act and Labor Pension Act to help stabilize the life of employees after their retirement. The Company and its subsidiaries, in accordance with local government labor law, withdraw amounts according to the labor pension system to the employee's individual retirement account on a monthly basis. After the employee meets the retirement conditions in accordance with the law, the Company helps the employee to apply for retirement pension from the government.

4. Employer-employee agreements

The labor policy of the Company and its subsidiaries adhere to the

principle of honest communication, and at the same time, through the following actions, create a beneficial situation for both the Company and its employees.

- (1). Abide by the labor laws and relevant laws and regulations, so that employees can be given the maximum protection.
 - (2). Employee communication channels are open and diverse, and opinions can be fully expressed and given proper response.
 - (3). If there are operating situations and major measures of the Company and its subsidiaries, they are fully publicized in advance, so that employees can clearly understand them and so that they can obtain full support and cooperation.
- (II) In the last two years and up to the publication date of the annual report, whether the Company has suffered losses due to labor disputes (including labor inspection results that have found violations of the Labor Standards Act, the date of disciplinary action, the name of the disciplinary action, the violation of laws or regulations, the content of violations, and the disciplinary action should be listed); also, disclose the estimated amounts and corresponding measures that may occur at present and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated must be explained: No such situation.

VI. Cyber security management

- (I) Describe the cyber security risk management framework, cyber security policy, specific management plan and resources devoted to cyber security management:
1. Cyber security risk management framework
 - (1) The Company's information security authority is the Hardware Information Security Network Management Division - Information Security Department under the IT Center, with an information security supervisor and professional IT engineers, who are responsible for formulating corporate information security policies, planning information security measures and implementing information security operations, and report to the top management of the IT Center on a regular basis.
 - (2) The Information Security Department is responsible for the coordination and promotion of information security management, the implementation of information security policies and plans, the formulation of technical regulations, and the management of security assessment.
 - (3) The Information Security Department cooperates with the accounting firm

to conduct IT operation audit every year. If deficiencies are found, the Department should prepare and report improvement plans, and follow up the results of the improvements regularly to mitigate internal information security risks.

2. Cyber security policy

- (1) Raise personnel's awareness of information security
- (2) Avoid leakage of sensitive information
- (3) Implement effective daily maintenance and operation
- (4) Ensure sustainable operation

3. The Company modifies cyber security maintenance and makes viable management plans in response to changes in decrees and technologies to protect cyber systems and information from unauthorized access, use, control, leakage, sabotage, tampering, destruction or other violations to ensure their confidentiality, integrity and availability.

To enhance cyber security management, ensure the availability, integrity and confidentiality of information, and prevent internal and external threats, either intentional or accidental, the Company has the following cyber security facilities and management methods in place.

- (1) The host in the server room is equipped with uninterruptible power supply and voltage stabilizer to ensure that the operation of computer applications will not be interrupted during temporary power outages.
- (2) Network control is tightened. The portal to the external network is equipped with an enterprise-level firewall to stop hackers from illegal intrusion.
- (3) Exclusive MPLS lines are used for site-to-site connection between each factory and Taichung headquarters, and data encryption is used to avoid illegal extraction of data during transmission.
- (4) We use more than two network services provided by different telecommunications companies to prevent disconnection from ending the service.
- (5) To access the system in the Company's intranet remotely, employees must apply for a VPN account and log in through the VPN security method, and all usage records are kept for audit.
- (6) The server room has access control to block unauthorized personnel, and is managed and maintained by dedicated staff.
- (7) Endpoint protection software is installed on the server and employee terminal computers. Virus codes are automatically updated to ensure that

the latest viruses are blocked. In the meantime, the anti-virus program detects and prevents the installation of potentially threatening executable files.

- (8) The server and terminal computers are equipped with original patching programs to fix security vulnerabilities for system integrity.
- (9) The email server is equipped with anti-virus and spam filtering mechanism to prevent viruses or spam from entering the user's PC.
- (10) The anti-virus system not only quarantines or deletes the virus detected or intercepted immediately, but also proactively issues risk reports on infected and at-risk computers to facilitate managers' response actions.
- (11) Employees must follow the Company's internal regulations to apply for permission before using each application system. Upon the responsible supervisor's approval, the IT Center creates a system account and the system administrator grants access according to the function employees have applied for.
- (12) Account passwords should be strong enough, containing a certain number of characters (at least 8), letters in upper and lower case, numbers and special symbols.
- (13) Employees are prohibited from using USB flash drives or writing devices.
- (14) When applying for discharge or suspension, employees must contact the IT Center to have the account in each system deleted or discontinued.
- (15) System backup: In addition to data backup in the server room, we adopt an off-site backup mechanism, storing backup data on tapes and in an off-site location with access control and 24-hour monitoring devices to ensure the security of data.
- (16) We require employees to change their system passwords regularly to maintain account security, and provide education and training courses on information security for internal employees from time to time each year to raise their awareness of information security.
- (17) We regularly take inventory of information assets and personal data, conduct risk management based on information security and personal data risk assessment, and implement various control measures.
- (18) We organize annual education and training on information security and personal data protection, and all new employees are required to sign a cyber security and confidentiality agreement.
- (19) External vendors are required to sign a confidentiality agreement to

ensure that those who use the Company's IT services or perform IT business have the responsibility and obligation to protect the Company's information assets from unauthorized access, alteration, destruction or improper disclosure.

- (20) Internal audits are conducted every year to ensure information security and the effectiveness of the personal data protection management system.

4. Resources invested in cyber security management

- (1) Internet hardware equipment such as firewall, mail anti-virus, spam filtering, Internet behavior analysis, and network-managed hubs.
 - (2) Software systems such as endpoint protection system, backup management software, VPN authentication, and encryption software.
 - (3) Telecommunications services such as Multi-line, backup, and intrusion prevention.
 - (4) We use redundancy architecture for storage equipment and virtual machine system to mitigate the risk of single point of failure.
 - (5) Invest manpower such as: Daily system status checks, weekly backup and off-site storage of backup media, at least two information security education and training sessions per year, annual system disaster recovery drills, annual internal audits of information cycles, and audits by accountants.
 - (6) Information security manpower: One information security supervisor and information security personnel are responsible for designing information security architecture, maintaining and monitoring information security, responding to and investigating information security incidents, and reviewing and revising information security policies, and the information security supervisor reports to the top management of the IT Center at least once a year.
- (II) Losses suffered as a result of major cyber security incidents, the possible impacts, and the response measures in the most recent year and up to the printing date of the annual report. If the loss cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated. No such situation.

VII. Important contracts

Contract type	Parties	Commencement date/ expiration date	Main items covered	Restriction clauses
Manufacturing Agreement	Group A	2008/10/1-present	Manufacturing and supplying branded products	<ol style="list-style-type: none"> Confidential information must not be disclosed or used by third parties Information on the client's technical secrets shall not be used for other purposes or leaked to any third party
Supply Agreement	Group B	2017/9/8-present	Manufacturing and supplying branded products	<ol style="list-style-type: none"> Confidential information must not be disclosed or used by third parties Information on the client's technical secrets shall not be used for other purposes or leaked to any third party
Master Manufacturing Agreement	Group G	2024/2/1-present	Manufacturing and supplying branded products	<ol style="list-style-type: none"> Confidential information must not be disclosed or used by third parties Information on the client's technical secrets shall not be used for other purposes or leaked to any third party
Parts and Semi-Finished Products Manufacturing Agreement	Group G	2023/12/1-present	Manufacturing and supplying branded products	<ol style="list-style-type: none"> Confidential information must not be disclosed or used by third parties Information on the client's technical secrets shall not be used for other purposes or leaked to any third party
Footwear Manufacturing and Supply Agreement	Group H	2021/7/1-present	Manufacturing and supplying branded products	<ol style="list-style-type: none"> Confidential information must not be disclosed or used by third parties Information on the client's technical secrets shall not be used for other purposes or leaked to any third party
Master Purchase and Sales Agreement	Group I	2023/6/1-present	Manufacturing and supplying branded products	<ol style="list-style-type: none"> Confidential information must not be disclosed or used by third parties

Contract type	Parties	Commencement date/ expiration date	Main items covered	Restriction clauses
				2. Information on the client's technical secrets shall not be used for other purposes or leaked to any third party
Dai Hoa Develop and Manufacturing Agreement Term Sheet	Group J	2023/6/27- 2026/6/26	Manufacturing and supplying branded products	1. Confidential information must not be disclosed or used by third parties 2. Information on the client's technical secrets shall not be used for other purposes or leaked to any third party
August Sports Develop and Manufacturing Agreement Term Sheet	Group J	2024/1/19- 2027/1/18	Manufacturing and supplying branded products	1. Confidential information must not be disclosed or used by third parties 2. Information on the client's technical secrets shall not be used for other purposes or leaked to any third party
Sports Gear Manufacturing Agreement Term Sheet	Group J	2024/5/10- 2027/5/9	Manufacturing and supplying branded products	1. Confidential information must not be disclosed or used by third parties 2. Information on the client's technical secrets shall not be used for other purposes or leaked to any third party
Sports Gear Manufacturing Agreement Term Sheet	Group K	2023/9/1- 2026/8/31	Manufacturing and supplying branded products	1. Confidential information must not be disclosed or used by third parties 2. Information on the client's technical secrets shall not be used for other purposes or leaked to any third party
Contract Regulations for Suppliers (CRS)	Group L	2024/12/1- 2029/11/30	Manufacturing and supplying branded products	1. Confidential information must not be disclosed or used by third parties 2. Information on the client's technical secrets shall not be used for other purposes or leaked to any third party

Contract type	Parties	Commencement date/ expiration date	Main items covered	Restriction clauses
Loan agreement	Taichung Branch, Mega International Commercial Bank	2025/6/21-2026/6/20	Short-term borrowing TWD400,000,000	-
Loan agreement	E. SUN BANK, Taichung Branch	2025/5/20-2026/5/20	Short-term borrowing TWD300,000,000	-
Loan agreement	Taipei Fubon Bank, Fengyuan Branch	2026/1/14-2026/11/30	Short-term borrowing TWD100,000,000	-
Loan agreement	Taichung Branch, Mega International Commercial Bank	2025/8/1-2028/7/31	Medium and long-term borrowing TWD1,000,000,000	Sports Gear Co., Ltd. Taiwan Branch shares its credit line with the head office.
Loan agreement	Taichung Branch, Mega International Commercial Bank	2025/8/1-2028/7/31	Medium and long-term borrowing USD35,000,000	Sports Gear Co., Ltd. Taiwan Headquarters shares its credit line with the branch company.
Loan agreement	Ho Chi Minh Branch, Mega International Commercial Bank	2025/6/12-2026/6/11	Short-term borrowing USD4,000,000	-
Loan agreement	Taipei Fubon Bank, Ho Chi Minh Branch	2025/12/1-2026/11/30	Short-term borrowing USD5,000,000	-
Loan agreement	Ho Chi Minh Branch, Cathay United Bank	2026/2/26-2027/2/26	Short-term borrowing USD5,000,000	-
Loan agreement	Vietcombank	2026/5/19-2027/5/18	Short-term borrowing USD20,000,000	-
Loan agreement	Taipei Fubon Bank, Binh Duong Branch	2025/12/1-2026/11/30	Short-term borrowing USD3,500,000	-
Loan agreement	E. SUN BANK, Dong Nai Branch	2025/6/17-2026/6/17	Short-term borrowing USD6,000,000	-
Loan agreement	First Commercial Bank, Taichung Branch	2025/11/20-2026/11/20	Short-term borrowing NTD150,000,000	-

Contract type	Parties	Commencement date/ expiration date	Main items covered	Restriction clauses
Loan agreement	Citibank, Taichung Branch	2025/8/1-2026/7/31	Short-term borrowing USD20,000,000	-
Loan agreement	Syndicated loan from seven banks, including Mega International Commercial Bank and E. SUN BANK	2021/12/29-2028/12/28	Medium-term borrowing USD250,000,000	-
Loan agreement	Taichung Branch, Mega International Commercial Bank	2025/6/21-2026/6/20	Short-term borrowing TWD100,000,000	-
Loan agreement	E. SUN BANK, Taichung Branch	2025/5/20-2026/5/20	Short-term borrowing TWD200,000,000	-
Loan agreement	Shi Zheng Branch, Taipei Fubon Bank	2026/1/14-2026/11/30	Short-term borrowing TWD100,000,000	-
Lease agreement	Spread Idea Co., Ltd.	2024/9/1-2027/8/31	Samoa Sports Gear Taiwan Branch Office	-
Lease agreement	Ko Ming-yu	2025/4/1-2028/3/31	Samoa Sports Gear Taiwan Branch Office	-
Lease agreement	Sports Gear Co., Ltd. Taiwan Branch	2025/9/1-2026/8/31	Silk Invest International Co., Ltd. office lease	-
Lease agreement	Binh Duong Provincial Government	2000/8/31-2050/8/31	Chi Hung's land use rights	-
Lease agreement	Ministry of Natural Resources and Environment	2000/8/31-2050/8/31	Chi Hung's land use rights	-
Lease agreement	Binh Duong Provincial People's Committee	2000/8/31-2050/8/31	Chi Hung's land use rights	-
Lease agreement	Binh Duong Province Ministry of Natural Resources and Environment	2015/1/13-2050/8/31	Chi Hung's land use rights	-
Lease agreement	Ba Ria Vung Tau Province	2005/1/28-2055/1/28	All Wells's land use rights	-

Contract type	Parties	Commencement date/ expiration date	Main items covered	Restriction clauses
	People's Committee			
Lease agreement	TAING SRY UY and Chen Wei Chia	2022/1/1-2041/12/31	Can Sports Cambodia's land use rights	-
Lease agreement	TAING SRY UY and Chen Wei Chia	2026/1/1-2045/12/31	Can Sports Cambodia's land and plant	-
Lease agreement	TAING SRY UY and Chen Wei Chia	2019/6/1-2033/5/31	Can Sports Cambodia's plant	-
Lease agreement	TAING SRY UY	2019/6/1-2033/5/31	Can Sports Cambodia Office	-
Lease agreement	Tây Ninh Province People's Committee	2011/4/15-2061/4/15	Can Sports Vietnam Xining plant's land use rights	-
Lease agreement	Tây Ninh Province People's Committee	2016/1/07-2061/4/15	Can Sports Vietnam Xining plant's land use rights	-
Lease agreement	Tây Ninh Province People's Committee	2019/3/5-2061/4/15	Can Sports Vietnam Xining plant's land use rights	-
Lease agreement	LUC DUNG Co., Ltd.	2018/1/1-2027/12/31	Can Sports Vietnam Janpeng Factory	-
Lease agreement	Xinhui Industrial Zone Infrastructure Investment Co., Ltd.	2024/11/13-2029/12/31	Can Sports Vietnam Xinzhou Factory	-
Lease agreement	Vietnam Ya Hu, LLC	2016/1/1-2030/12/31	Dai Hoa Vietnam's plant	-
Lease agreement	Thnn High Point Furniture Global (VN)	2016/1/1-2030/12/31	Dai Hoa Vietnam's plant	-
Lease agreement	Thnn High Point Furniture Global (VN)	2016/1/1-2030/12/31	Dai Hoa Vietnam's plant	-
Lease agreement	CÔNG TY CỔ PHẦN TV- TM – DV ĐỊA ỐC HOÀNG QUÂN BÌNH THUẬN	2025/1/18-2057/7/6	Dai Hoa Co., Ltd. land use rights	-
Lease contract	Tianna	2018/1/1-	August Sports	-

Contract type	Parties	Commencement date/ expiration date	Main items covered	Restriction clauses
	Industrial Park Development Union Co., Ltd., Bien Hoa City, Dong Nai Province	2053/10/6	Vietnam's land use rights	
Lease contract	CÔNG TY TNHH XÂY DỰNG SÀI GÒN THỊNH VƯỢNG	2024/2/1-2027/1/31	August Sports dormitory	-
Lease contract	CÔNG TY TNHH XÂY DỰNG SÀI GÒN THỊNH VƯỢNG	2023/11/1-2028/10/31	August Sports dormitory	-
Lease contract	CÔNG TY TNHH XÂY DỰNG SÀI GÒN THỊNH VƯỢNG	2023/8/1-2028/7/31	August Sports dormitory	-
Lease contract	CÔNG TY TNHH XÂY DỰNG SÀI GÒN THỊNH VƯỢNG	2023/9/1-2028/8/31	August Sports dormitory	-
Lease agreement	Myanmar Japan Thilawa Development Ltd.	2017/2/10-2067/2/9	Land on which Sports Gear (Myanmar) plant	-

F. Financial Condition and Financial Performance Review and Risk Analysis

I. Financial condition

Unit: NT\$ thousand; %

Item \ Year	2025	2024	Discrepancy	
			Amount	%
Current assets	13,740,292	16,064,225	-2,323,933	-14.47
Property, plant, and equipment	6,641,615	5,969,716	671,899	11.26
Right-of-use asset	1,172,690	1,168,019	4,671	0.4
Intangible assets	42,746	19,258	23,488	121.96
Other assets	381,775	353,549	28,226	7.98
Total assets	21,979,118	23,574,767	-1,595,649	-6.77
Current liabilities	4,783,683	5,579,828	-796,145	-14.27
Non-current liabilities	2,165,430	2,757,798	-592,368	-21.48
Total liabilities	6,949,113	8,337,626	-1,388,513	-16.65
Share capital	2,000,951	1,960,456	40,495	2.07
Capital surplus	8,559,970	8,174,093	385,877	4.72
Retained surplus (loss not yet made up)	4,577,451	4,461,017	116,434	2.61
Other rights	-108,367	641,575	-749,942	-116.89
Non-controlling interests	0	0	0	-
Total shareholder equity	15,030,005	15,237,141	-207,136	-1.36
<p>1. If the change between the early and late period exceeds 20%, and the amount of change is more than NT\$10 million, the main analysis and explanation are as follows:</p> <p>(1). The increase of NT\$23,488 thousand in intangible assets was mainly due to an increase in computer software.</p> <p>(2). The decrease of NT\$592,368 thousand in non-current liabilities was mainly due to the conversion of convertible corporate bonds.</p> <p>(3). The decrease of other rights by NT\$749,942 was mainly due to fluctuations in the exchange rate.</p> <p>2. Where the effect is of material significance, the measures to be taken in response shall be stated: No such situation.</p>				

II. Financial performance

(I) Financial performance comparison analysis table

Unit: NT\$ thousand; %

Item \ Year	2025	2024	Amount of change	Change ratio (%)
Operating revenue	20,373,969	18,443,858	1,930,111	10.46
Operating costs	16,335,183	14,626,754	1,708,429	11.68
Gross profit	4,038,786	3,817,104	221,682	5.81
Operating expenses	2,323,551	2,209,705	113,846	5.15
Net profit	1,715,235	1,607,399	107,836	6.71
Non-operating revenue and (expenses)	135,419	417,993	-282,574	-67.6
Net profit before tax	1,850,654	2,025,392	-174,738	-8.63
Income tax expenses	498,540	429,365	69,175	16.11
Net profit for the period	1,352,114	1,596,027	-243,913	-15.28
Other comprehensive income/losses for the current period (net, after-tax)	-749,942	575,544	-1,325,486	-230.3
Total comprehensive income	602,172	2,171,571	-1,569,399	-72.27
Net profit attributable to the parent company	1,352,114	1,598,113	-245,999	-15.39
Net profit attributable to non-controlling interests	0	-2,086	2,086	-100
Comprehensive profit and loss attributable to the parent company	602,172	2,173,616	-1,571,444	-72.3
Comprehensive profit and loss attributable to non-controlling interests	0	-2,045	2,045	-100
<p>If the change between the early and late period exceeds 20%, and the amount of change is more than NT\$10 million, the main analysis and explanation are as follows:</p> <ol style="list-style-type: none"> 1. The decrease in non-operating income was mainly due to the decrease in foreign exchange gains. 2. Other comprehensive income (net, after-tax) was mainly caused by the currency translation difference in presentation currency and exchange differences arising from the translation of the financial statements of foreign operations. 3. The decrease in total comprehensive income, net profit attributable to the parent company, and comprehensive income attributable to the parent company was mainly due to the exchange rate fluctuations in 2025. 				

(II) Expected sales volume and its basis, possible impact on the Company's future financial operations and the response plan: Please refer to "1. Letter to Shareholders".

III. Cash flow

(I) Analysis of cash flow change in most recent year

Unit: NT\$ thousand

Cash balance at beginning of period	Cash flow from operating activities over the entire year	Net cash inflow from investment	Net cash inflow from financing activities	Total year exchange rate effects on cash and cash equivalents	Cash surplus	Improvement plan for insufficient liquidity	
						Investment plans	Financing plans
7,907,300	1,976,807	-2,001,507	-2,023,027	-492,683	5,366,890	None	None
Analysis of cash flow changes for the year:							
<p>(1). Cash inflow from operating activities is about NT\$1.98 billion: Mainly include net changes in accounts receivables, cash inflow from operating profit, and depreciation and amortization expenses.</p> <p>(2). Cash outflow from investment activities is about 2 billion: Mainly due to acquisitions of property, plant, and equipment.</p> <p>(3). Cash outflow of financing activities is about 2.02 billion: Mainly due to the payment of cash dividends to shareholders and to repay bank loans.</p>							

(II) Improvement plan for insufficient liquidity

The Company expects to continue to make profits, and there is no danger of insufficient liquidity.

(III) Analysis of cash liquidity for the coming year (2025)

Unit: NT\$ thousand

Cash balance at beginning of period	Estimated net cash inflow from operating activities for the whole year	Net cash inflow from investment and financing activities	Estimated cash surplus (insufficiency) amount	Estimated capital resources for insufficient cash	
				Investment plans	Financing plans
5,366,890	2,334,984	(2,613,328)	5,088,546	None	None
<p>1. Analysis of cash flow changes in the next year:</p> <p>(1). This is mainly due to cash inflow and net changes in receivables, inventories and payables as a result of the expected cash inflow from operations and profits in 2026.</p> <p>(2). Investment and financing activities: Outflow mainly due to construction of a new production base, purchase of production machinery, and payment of cash dividends.</p> <p>2. Remedial measures and liquidity analysis for expected cash insufficiency: There is no expected cash insufficiency, so it is not applicable.</p>					

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

(I) Use of major capital expenditures and sources of capital:

Unit: NT\$ thousand

Plan	Actual or projected sources of funds	Actual use of funds	
		2025	2024
Acquisition of property, equipment and right-of-use assets	Own funds, corporate bonds, and bank loans	1,752,128	1,423,911

(II) Expected possible benefits:

After the new production base is completed and enters production, it is expected to increase the Company's production capacity and the Group's operational scale, and inject new momentum for growth. The Company therefore decided to increase capital expenditures.

V. Reinvestment policy, main reasons for profit or loss, and improvement plans in the most recent year and investment plans for the coming year

(I) Reinvestment policy

The Company's takes its own business as the core consideration for its reinvestment policy, and does not engage in industries outside of its own business. The Company has formulated the "Investment Cycle," "Regulations on the Supervision and Management of Subsidiaries," "Management Guidelines for Related-party Transactions," "Regulations Governing Financial Business Among Affiliates" and the Company's "Procedures for the Acquisition or Disposal of Assets"; relevant investment plans made in the future will be processed in accordance with the aforementioned regulations.

(II) The main reason for the profit or loss of reinvestment in the most recent year, and the improvement plan

Unit: NT\$ thousand

Name of invested company	Direct (indirect) shareholding ratio (%)	Income on investment recognized by the Company in 2025	Reason for profit or loss	Improvement plan
Sports Gear Co., Ltd.	100%	492,925	The holding company recognizes income on investment.	Not applicable.
All Wells	100%	831,082	The holding company recognizes income on investment.	Not applicable.
Elephant	100%	196,038	The holding company recognizes income on investment.	Not applicable.

Name of invested company	Direct (indirect) shareholding ratio (%)	Income on investment recognized by the Company in 2025	Reason for profit or loss	Improvement plan
Fongyuan	100%	122,997	The holding company recognizes income on investment.	Not applicable.
SPG Singapore	100%	554	The holding company recognizes income on investment.	Not applicable.
Silk Invest International Co., Ltd.	100%	-71,614	The Group holds land through Silk Invest for the construction of a future headquarters, and losses were mainly due to management expenses and financial costs being incurred. In addition, the recognition of SGP and FiL investment gains and losses also caused losses due to the holding company.	The headquarters' construction project has not started in 2025, but its design and planning is completed. With the construction headquarters building which is scheduled to be started, there will be rental income when the construction is completed. Investment performance will improve after SGP-Sports Gear Portugal, S.A.'s operations become on track.
Chi Hung Co., Ltd.	100%	235,122	Good operations	Not applicable
All Wells International Co., Ltd.	100%	135,055	Good operating condition.	Not applicable.
Can Sports Shoes Co., Ltd.	100%	263,620	Good operating condition.	Not applicable.
Can Sports Vietnam Co., Ltd.	100%	189,449	Good operating condition.	Not applicable.
Dai Hoa Co., Ltd.	100%	172,806	Good operating condition.	Not applicable.
August Sports Co., Ltd.	100%	140,436	Good operating condition.	Not applicable.
Fireman	100%	15,037	Good operating condition.	Not applicable.
Sports Gear (Myanmar) Co., Ltd	100%	17,390	Good operating condition.	Not applicable.
PT Can Sports Industrial Indonesia	100%	-64,338	Losses from the initial orders not reaching economic scale.	We are currently engaged in active negotiations with brand customers on production plans. Production has already begun in the fourth quarter of 2025, and performance will

Name of invested company	Direct (indirect) shareholding ratio (%)	Income on investment recognized by the Company in 2025	Reason for profit or loss	Improvement plan
				improve once operations are on track.
SGP	100%	-141,548	Losses from the initial orders not reaching economic scale.	We have obtained permission from the brand to establish a plant. At the moment, construction of the plant building has been completed, and we will begin installing machinery and equipment as well as training workers. We have officially begun R&D and production operations at the end of 2025, and performance will improve once operations are on track.
FiL	100%	-38,712	Liquidation procedures are currently being conducted.	Due to changes in operational direction, the Company plans to streamline our investment structure, and is currently conducting liquidation procedures.
Zhihui	100%	-1,251	Losses from the initial orders not reaching economic scale.	Due to changes in operational direction, the Company plans to streamline our investment structure, and is currently conducting liquidation procedures.

(III) Investment Plans for the Coming Year: New factory buildings are planned for construction to meet the needs of brand customers, as part of the Company's developments in Portugal and Indonesia.

VI. Risk analysis

(I) Effects of fluctuations in interest rate and exchange rate and inflation on the Company's finances, and future response measures

1. The impact of interest rate fluctuations on the Company's profit and loss and future response measures

The interest income of the Company and its subsidiaries is mainly due to the interest on bank deposits; the interest expenses are mainly the interest expenses resulting from financial institution borrowing and lease liabilities recognized by the effective interest method. The interest

incomes of the Company and its subsidiaries in 2025 and 2024 were, respectively, NT\$216,444 thousand and NT\$275,001 thousand, accounting for 1.06% and 1.49% of the current consolidated net operating revenue; interest expenses were, respectively, NT\$70,145 thousand and NT\$73,302 thousand, accounting for 0.34% and 0.40% of the current consolidated net operating revenue, indicating that fluctuations in interest rates have no significant impact on the operation of the Company and its subsidiaries.

Response measures:

The decrease in interest expense is mainly due to the decrease in long-term bank loans. The Company and our subsidiaries will consider the interest rate changes in the financial market, and regularly and irregularly assess the capital situation and bank interest rates to make appropriate capital utilization plans and prudent decisions in fund raising methods to obtain more favorable interest rates and the most cost effective funding.

2. The impact of exchange rate fluctuations on the Company's profit and loss and future response measures

The main purchases and sales of the Company and its subsidiaries are denominated in US dollars, so the receivables and payables of purchases and sales transactions can be mutually offset, resulting in a natural hedging effect. The net exchange (profit) and loss for the Company and its subsidiaries for 2025 and 2024 were NT\$26,334 thousand and NT\$216,757 thousand respectively, accounting for 0.13% and 1.18% of the net operating revenue of the current period, indicating that the impact of fluctuations in exchange rates on the Company's profits is still limited.

Response measures:

In order to avoid excessive exchange rate risks arising from exchange rate fluctuations on foreign sales and purchases, the Company adopts the following measures to deal with the impact of exchange rate fluctuations on its profits and losses:

- (1). Utilizing the characteristics of natural hedging, the sales revenue of the same currency is used to cover the purchase expenditure to reduce the impact of exchange rate fluctuations.
- (2). Take into consideration exchange rate change when quoting customers to safeguard the Company's reasonable profit.
- (3). Financial units monitor the fluctuations in international exchange rates in real time and maintain close contact with major correspondent

banks. Financial specialists continuously collect information about exchange rate fluctuations, endeavor to fully grasp international exchange rate trends and fluctuations, and actively respond to the impact of exchange rate fluctuations; and, to meet the Company's capital needs, conduct foreign exchange in a timely manner to reduce risk.

- (4). Financial units continuously collect information on fluctuations in the foreign exchange market to understand exchange rate trends, use cash flow forecasts to maintain an appropriate net foreign exchange position, and when necessary, perform forward exchange transactions, foreign exchange transactions, or currency options in accordance with the "Management Procedures for the Acquisition or Disposal of Assets" based on foreign currency positions and exchange rate fluctuations, to hedge the net foreign currency positions after natural hedging, so as to reduce the exchange rate risk generated by the Company's business operations.

3. The impact of inflation on the Company's profits and losses and future response measures

Under the rapid changes in the global economic environment, the Company has not suffered a major impact on profit or loss due to inflation or deflation crises up to the printing date of the annual report.

Response measures:

The Company continuously pays attention to market price fluctuations and continues to maintain close and good interactions with suppliers to avoid the adverse effects of inflation on the Company's profits and losses.

- (II) Policies, main causes of profit or loss, and future response measures with respect to high-risk, high-leveraged investments, fund loans to others, or endorsements and guarantees, and derivatives transactions

1. Main reasons for profit or loss with respect to high-risk, high-leveraged investments and future response measures

The Company has not engaged in high-risk, high-leverage investments in the most recent year and up to the printing date of the annual report.

2. The main reasons for the profit or loss with respect to fund loans to others and future response measures

The Company engages in fund loans to others, mainly between the Company and its subsidiaries, or between the Company and foreign subsidiaries in which it directly or indirectly holds 100% of the voting

shares or where it has substantial controlling interest, where there is a need for business transactions or fund needs, and it proceeds in accordance with the Company's "Procedures for Extending Loans to Others."

3. The main reasons for profit or loss with respect to endorsements and guarantees and future response measures

The Company engages in endorsements and guarantees, mainly for mutual guarantees between the Company and its subsidiaries or between bank financing accounts of subsidiaries in which 100% of the voting rights are held directly or indirectly or where it has substantial controlling interest; endorsements and guarantees are handled in accordance with the relevant provisions of the Company's "Procedures for Endorsements and Guarantees."

4. Policy for engaging in derivative commodity trading, main reasons for profit or loss, and future response measures

The Company has not engaged in derivative commodity trading investments in the most recent year and up to the printing date of the annual report.

- (III) Future R&D plans and estimated R&D expenses

The Company's R&D operations are led by Sports Gear Co., Ltd. Taiwan Branch, with support from Chi Hung Co., Ltd., Can Sports Vietnam Co., Ltd., Dai Hoa Co., Ltd., August Sports Co., Ltd., and SGP-Sports Gear Portugal, S.A. Following the implementation of an Internet of Things (IoT) simulation and predictive scheduling system in 2023, the Company has continued to promote existing R&D projects in 2025, including projects involving new shoe designs, shoe mold development, and trial testing of sample products. We have also actively invested into innovative technologies and process improvements.

Looking ahead to 2026, the R&D units of the Company and our subsidiaries will continue focusing on the following areas:

- Product Innovation: Further advance development of direct injection technologies, developing new shoe designs and cleat structures, and continue applying for patents in multiple countries.
- Process automation: Adopt smart production processes to improve efficiency and consistency.
- Smart detection system: Build an online real-time inspection record system and a high-speed point cloud visual recognition and detection

system to ensure quality control.

- Cloud management: Improve cloud-based control and management system, and strengthen cross-unit collaborations and data integration.

(IV) The Company has received positive customer feedback for the new shoe cleat structure we developed in 2024, and we have continued to advance patent applications for the design. The Company expects to continue investing into installing equipment, patent applications, technological development, and sample testing in 2026, ensuring that we maintain our lead in product innovation and process optimization. The impact of important domestic and foreign policy and legal changes on the Company's financial business and response measures

The Company's execution of its various businesses is in accordance with the laws and regulations and related policies of the countries of registration and the countries of main operation; it continuously pays attention to changes and development trends; and it immediately responds to changes in the market environment and takes appropriate response measures. Important domestic and foreign policies and legal changes have not had a significant impact on the Company's finances or business in the most recent year and up to the printing date of the annual report.

(V) Impact of technological changes (including information security risks) and industrial changes on the Company's financial business and response measures

The Company continuously pays attention to the technologies, developments, and updates related to the industry in which it operates, and quickly grasps industry dynamics; it continuously improves its production capacity, evaluates the impact of production capacity on the Company's operations, and understands technological or industrial changes in a timely manner to adjust its developmental direction. For information security, in 2022 the Company established the Information Security Department - Hardware Information Security Network Management Division - Information Security Department under the IT Center, with an information security supervisor and professional IT engineers, who are responsible for formulating corporate information security policies, planning information security measures and implementing information security operations, and report to the top management of the IT Center on a regular basis. The Information Security Department also cooperates with the accounting firm to conduct IT operation audit every year. If

deficiencies are found, the Department should prepare and report improvement plans, and follow up the results of the improvements regularly to mitigate internal information security risks. Technological changes and industrial changes have not had a significant impact on the Company's financial business in the most recent year and up to the printing date of the annual report.

- (VI) The impact of changes to the corporate image on corporate crisis management and response measures

The Company adheres to the philosophy of honesty, trust, and sustainable management. Since its establishment, it has focused on its business operations. It has a good corporate image, abides by relevant laws and regulations, and continues to maintain its good corporate image. There has been no change in its corporate image or corporate crisis management in the most recent year and up to the printing date of the annual report.

- (VII) Expected benefits, possible risks, and response measures with respect to mergers and acquisitions

As of the printing date of the annual report, there is no plan to acquire other companies. If there is a plan for merger and acquisition in the future, the Company will assess the plan with caution and fully consider the synergies of the merger to truly protect shareholder equity.

- (VIII) Expected benefits, possible risks and response measures with respect to plant expansion

The Company communicated with major brands before plant expansion, and after reaching a preliminary consensus, it worked out a three-to-five-year plant expansion plan and future production plan. As the factory for Group A was at full capacity, the Company added Factory S3 to Can Sports Shoes Co., Ltd. in 2021 and the outsole plant, which was put into operation in 2022. The Company established a subsidiary SGP in Portugal and acquired FiL in Germany, and will work with the direct injection team in Portugal to carry out R&D on automated production and direct injection technology, mainly engaged in the R&D and production process for the Group's brand footwear products.

In addition to reaching consensus with big brands on the above-mentioned factory expansion plans, the Company plans to build a headquarters building through its subsidiary, Silk Invest International Co., Ltd. However, the plan has been postponed due to the impact of the past few years of the COVID-19 pandemic. Meanwhile, the Company purchased

the land as originally planned because land is difficult to acquire. Work related to the construction of the headquarters building has been officially launched in 2024. Also, SPG Myanmar plant, which has been affected by the local coup and the pandemic in the past few years, is currently delaying its plant expansion plan, and slowing down its plant construction project. It is currently producing employee uniforms for the time being. When the local political and economic situation in Myanmar is certain, SPG Myanmar plant's investment plan will be reviewed again, and discussion with brand customers on the subsequent status of the plant expansion will resume. After evaluation, if it is decided that the plant expansion plan is to be resumed, the plant expansion plan and investment evaluation report will be prepared in accordance with internal procedures, and upon approval by the approval authority and board of directors, the project will be executed.

The Company is currently carrying out plans to expand the Can Sports Shoes Co., Ltd. S3 factory and outsole plant, and the plants belonging to SGP-Sports Gear Portugal, S.A., and SPG Can Sports Industrial Indonesia. Both Can Sports Shoes Co., Ltd. and the outsole plant have entered production, while SPG Can Sport Industrial Indonesia's new plant also entered production in the fourth quarter of 2025. In addition, the construction of the main section of the SGP-Sports Gear Portugal, S.A. plant has already been completed, and required operations and business licenses have been obtained. The plant has already entered production in the fourth quarter of 2025. The Company currently has no major risks in plant expansion. It is expected that investment in the expansion will help expand the Company's capacity and improve flexibility in scheduling, as well as increase the Company's operating scale and competitiveness.

(IX) Risks and response measures with respect to concentration in purchases or sales

1. Sales

In both 2025 and 2024, the Company and its subsidiaries sold more than 50% of the net revenue for each period to a single client of Group A. This is mainly due to the Company's cooperation with the Group brand client for more than 20 years, and because the brand client has approved of the quality of the products produced by the Company. And as the performance of the Group brand clients has grown, so has its demand for Company's products, resulting in concentrated sales. In

addition to cultivating its existing customers, maintaining good cooperative relationship, and responding to the trend of various brands around the world, the Company is also committed to expanding its cooperation with Group B, actively establishing a stronger cooperation with Group C and D, and adjusting the product lines of each plant to increase or decrease the orders of each brand, reducing the Company's risk of concentrating its sales on a single customer.

2. Purchases

In the most recent year and up to the printing date of the annual report, there has not been a situation for the Company or its subsidiaries where supply has reached 30% or more from a single supplier, so there is no risk of concentration of purchases.

- (X) The impact, risks, and response measures of the Company where there are massive transfers or replacements of shares with respect to the directors, supervisors, or major shareholders holding more than 10% of shares

Up to the printing date of the annual report, the Company's directors or major shareholders holding more than 10% of the shares have not had a major transfer or replacement of equity that affects the Company's operations.

- (XI) The impact, risks, and response measures of the change of operation rights on the Company

Up to the printing date of the annual report, the Company has no changes to operation rights that affect the Company's operations.

- (XII) Litigation or non-litigation events in which the Company, its directors, supervisors, presidents, substantial persons-in-charge, major shareholders holding more than 10% of shares, or subordinate companies are involved that have been determined by verdict of the court or are still pending in a major litigation, non-litigation, or administrative litigation, the outcome of which may have a significant impact on shareholder equity or securities prices

There are no major litigations, non-litigations or administrative litigations in which the Company, its directors, presidents, substantive persons in charge, major shareholders holding more than 10% of the shares, or subordinate companies are involved.

- (XIII) Other important risks and response measures

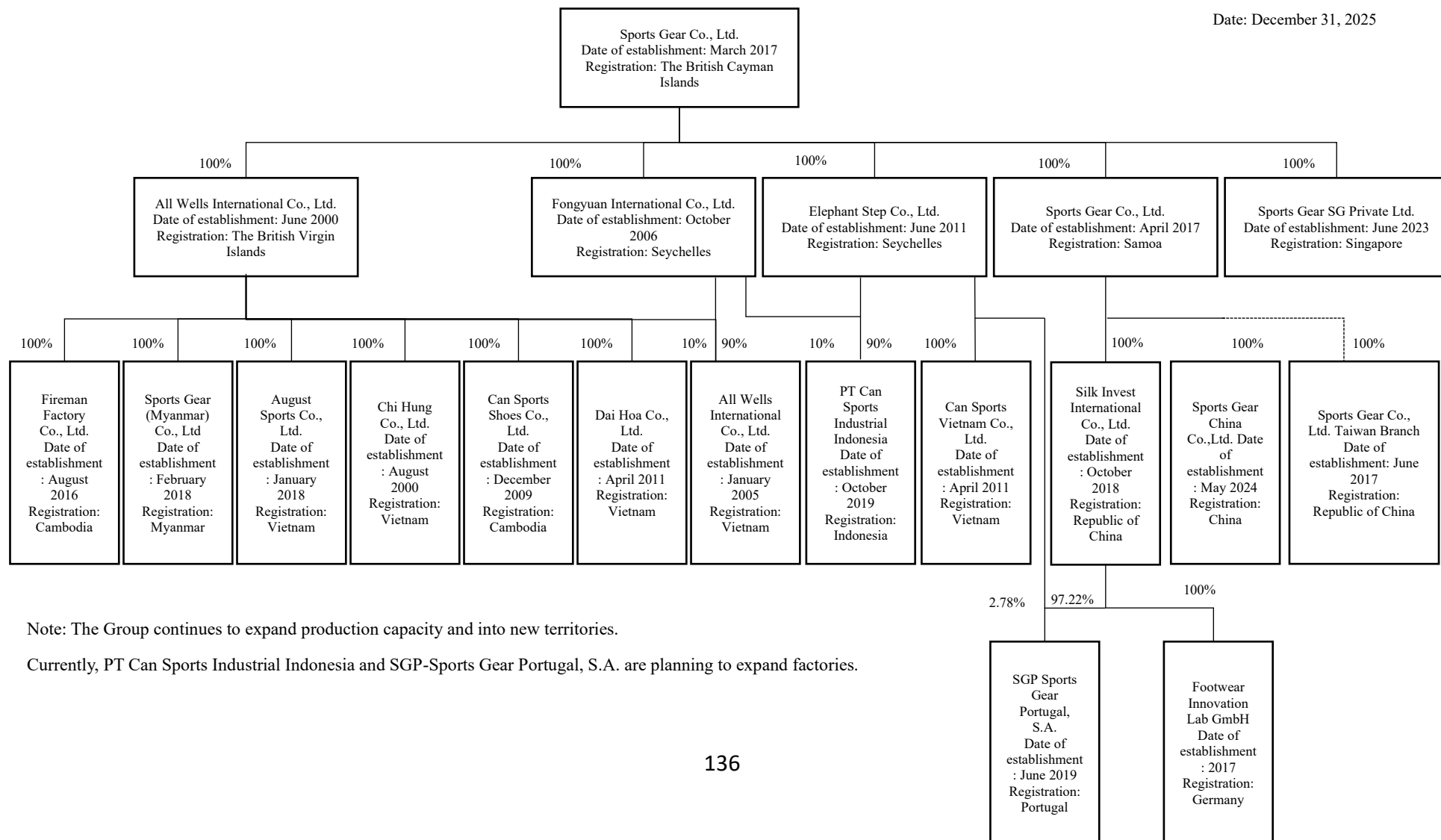
None.

VII. Other important matters: None.

G. Special Records

I. Affiliate information

(I) Affiliate diagram



(II) Basic information on each affiliate

December 31, 2025; Unit: US\$ thousand

Company Name	Date of Establishment	Location	Paid-in capital	Main business
Sports Gear Co., Ltd.	April 2017	Samoa	5,036	Trading of sporting goods and international investment
All Wells International Co., Ltd. (All Wells)	June 2000	The British Virgin Islands	48,500	International investment business
Elephant Step Co., Ltd. (Elephant)	June 2011	Seychelles	82,030	International investment business
Fongyuan International Co., Ltd (Fongyuan)	October 2006	Seychelles	37,740	International investment business
Sports Gear SG Private Ltd.	June 2023	Singapore	1,000	International investment business
Silk Invest International Co., Ltd.	October 2018	Republic of China	35,446	General investment activities, real estate development, leasing and sales activities, sale of sports goods.
Sports Gear China Co.,Ltd.	May 2024	China	1,000	Trading of sporting goods
Chi Hung Co., Ltd.	August 2000	Vietnam	12,700	Manufacturing, processing, and trading of sporting goods
All Wells International Co., Ltd.	January 2005	Vietnam	40,000	Manufacturing, processing, and trading of sporting goods
Can Sports Shoes Co., Ltd.	December 2009	Cambodia	40,000	Manufacturing, processing, and trading of sporting goods
Can Sports Vietnam Co., Ltd.	April 2011	Vietnam	56,000	Manufacturing, processing, and trading of sporting goods
Dai Hoa Co., Ltd.	April 2011	Vietnam	21,600	Manufacturing, processing, and trading of sporting goods
August Sports Co., Ltd.	January 2018	Vietnam	12,000	Manufacturing, processing, and trading of sporting goods
Fireman Factory Co., Ltd. (Fireman)	August 2016	Cambodia	15,000	Manufacturing, processing, and trading of sporting goods
Sports Gear (Myanmar) Co., Ltd	February 2018	Myanmar	20,000	Manufacturing, processing, and trading of sporting goods
PT Can Sports Industrial Indonesia	August 2019	Indonesia	40,000	Manufacturing, processing, and trading of sporting goods
SGP Sports Gear Portugal, S.A.(SGP)	June 2019	Portugal	10,136	Sporting Goods Research Center
Footwear Innovation Lab GmbH	January 2017	Germany	7,118	Manufacturing, processing, and trading of sporting goods

(III) The information of identical shareholders presumed to have control and subsidiary relationship: Not applicable.

(IV) Overall industries covered by the business of affiliates:

1. Industry: Footwear production, sales and reinvestment, and other related businesses.
2. Other: Distribution agency business, etc. For the main business or production items of each affiliate, refer to (II) Overview of Basic Information on Each Affiliate for details.

(V) Information on directors, supervisors, and presidents of affiliates

Date of information: December 31, 2025

Company Name	Title	Name or representative	Shares held	
			Number of shares (shares)	Shareholding ratio
Sports Gear Co., Ltd.	Director	Wei-Chia Chen	0	0
Sports Gear Co., Ltd. Taiwan Branch	Manager	Wei-Chia Chen	0	0
All Wells International Co., Ltd.	Director	Wei-Chia Chen	0	0
Elephant Step Co., Ltd.	Director	Wei-Chia Chen	0	0
Fongyuan International Co., Ltd	Director	Wei-Chia Chen	0	0
Silk Invest International Co., Ltd.	Director	Wei-Chia Chen	0	0
Chi Hung Co., Ltd.	Director	Wei-Chia Chen	0	0
	Supervisor	An-De Wu	0	0
All Wells International Co., Ltd.	Director	Wei-Chia Chen	0	0
	Supervisor	An-De Wu	0	0
Can Sports Shoes Co., Ltd.	Director	Wei-Chia Chen	0	0
	Director	Nick Lin	0	0
Can Sports Vietnam Co., Ltd.	Director	Wei-Chia Chen	0	0
	Supervisor	An-De Wu	0	0
Dai Hoa Co., Ltd.	Director	Wei-Chia Chen	0	0
	Director	Nick Lin	0	0
	Supervisor	An-De Wu	0	0
August Sports Co., Ltd.	Director	Wei-Chia Chen	0	0
	Director	Michael Huang	0	0
Fireman Factory Co., Ltd. (Fireman)	Director	Wei-Chia Chen	0	0
	Director	Nick Lin	0	0
Sports Gear (Myanmar) Co., Ltd	Director	Wei-Chia Chen	0	0
	Director	Michael Huang	0	0
PT Can Sports Industrial Indonesia	Director	Jack Wang	0	0
	Director	Ji-Hong Chen	0	0
	Supervisor	Wei-Chia Chen	0	0
SGP Sports Gear Portugal, S.A. (SGP)	Director	Wei-Chia Chen	0	0
	Director	Jui-Lan Wang	0	0
Footwear Innovation Lab GmbH (FIL)	Director	Wei-Chia Chen	0	0
	Director	Juergen Hans Wormser	0	0
Sports Gear SG Private Ltd.	Director	Wei-Chia Chen	0	0
	Director	Shao-Jie Chen	0	0
	Director	LEE HUIHUI, JANE	0	0
Sports Gear China Co.,Ltd.	Director	Wei-Chia Chen	0	0
	Supervisor	Ma Shih-Cheng	0	0

(VI) Overview of operations of affiliates

Unit: The capital amount is in US\$ thousand, and the rest is in NTS thousand;
Date of information: January 1 to December 31, 2025

Company Name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit (loss)	Net income (loss) (after tax)
Sports Gear Co., Ltd.	5,036	7,513,962	3,278,502	4,235,460	20,211,703	567,192	470,585
All Wells International Co., Ltd. (All Wells)	48,500	6,829,642	21,994	6,807,648	0	(1,119)	830,876
Elephant Step Co., Ltd. (Elephant)	82,030	3,703,825	0	3,703,825	0	(291)	150,649
Fongyuan International Co., Ltd (Fongyuan)	37,740	1,284,979	0	1,284,979	0	(82)	117,954
Sports Gear SG Private Ltd.	1,000	32,315	114	32,201	0	(185)	554
Silk Invest International Co., Ltd.	35,446	2,449,464	1,849,740	599,724	3,973,815	106,586	(71,614)
Sports Gear China Co., Ltd.	1,000	30,535	647	29,888	11,475	(1,306)	(1,251)
Chi Hung Co., Ltd.	12,700	2,752,388	1,544,438	1,207,950	5,289,264	277,456	235,122
All Wells International Co., Ltd.	40,000	1,521,702	244,232	1,277,470	1,879,696	123,964	135,055
Can Sports Shoes Co., Ltd.	40,000	4,077,401	909,752	3,167,649	5,374,212	295,245	263,620
Can Sports Vietnam Co., Ltd.	56,000	2,641,065	737,357	1,903,708	3,581,673	201,428	189,449
Dai Hoa Co., Ltd.	21,600	1,517,425	780,356	737,069	1,358,607	212,031	172,806
August Sports Co., Ltd.	12,000	958,421	546,065	412,356	1,451,955	196,418	140,436
Fireman Factory Co., Ltd. (Fireman)	15,000	480,241	567	479,674	0	(163)	15,037
Sports Gear (Myanmar) Co., Ltd	20,000	658,111	1,992	656,119	0	(13,231)	17,390
PT Can Sports Industrial Indonesia	40,000	2,349,556	1,270,312	1,079,244	38,804	(81,660)	(64,338)
SGP Sports Gear Portugal, S.A. (SGP)	10,136	672,892	620,739	52,153	24,629	(97,202)	(141,548)
Footwear Innovation Lab GmbH (FIL)	7,118	38,069	119,395	(81,326)	0	(26,795)	(38,712)

(VII) Consolidated financial and business statements of affiliates: Same as consolidated financial statements.

II. In the most recent year and up to the printing date of the annual report, the status of private placement securities:

No such situation.

III. Status of holding or disposing of the Company's stocks by subsidiaries in the most recent year and up to the printing date of the annual report:

No such situation.

IV. Other necessary supplementary explanations:

No such situation.

H. Matters that have significantly affected shareholders' equity and prices of securities pursuant to Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the printing date of the annual report: None.

I. Significant discrepancies with Taiwan’s provisions on the protection of shareholder equity

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
I. The formation and change of Company capital			
<p>1. The Company may not cancel its shares unless it reduces its capital in accordance with the resolution of the shareholders' meeting; in which case, the reduction of capital shall be based on the proportion of shares held by the shareholders.</p>	<p>Article 168 of the Company Act</p>	<p>1. Article 14 of Cayman Islands company law allows a company to reduce its issued capital, but only after a special resolution of the shareholders' meeting and confirmation by a Cayman court.</p> <p>2. Except for Article 14 of</p>	<p>Article 15(a), 47(a)(xii), and Article 59 of the Company's Articles of Incorporation stipulate that the Company may reduce its capital after a special resolution of the shareholders’ meeting. However, it is still slightly different from the Important Matters for the Protection of Shareholder Equity listed in the preceding. According to the provisions of Cayman Islands company law, the</p>

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>2. When the Company reduces its capital, it can return the share money with property other than cash; the property returned and the amount of the offset shall be resolved by the shareholders' meeting and approved by the shareholder who receives the property.</p> <p>3. The value of the property mentioned in the preceding paragraph and the amount of the offset shall be submitted by the Board of Directors to an accountant of the</p>		<p>Cayman Islands company law, the issued capital of a company can only be cancelled when the Company purchases, returns, or recovers the issued capital in accordance with the provisions of Article 37 or 37B of Cayman Islands company law.</p> <p>3. In accordance with Cayman Islands company</p>	<p>reduction of issued shares must go through the process of share buy-back before cancellation, and the company does not have the unilateral right to cancel shares still held by shareholders. These discrepancies are due to the provisions of Cayman Islands company law, but the Company's Articles of Incorporation do not have restrictions on the Company's capital reduction procedures.</p>

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>Republic of China for auditing and verification before the shareholders' meeting.</p>		<p>law, while not violating the provisions of Article 37 of that law (Article 37 stipulates that a joint stock limited company may issue shares that give the Company or shareholders the right to choose to redeem them if it is expressly authorized by the Company's Articles of Incorporation. Provided that the Company does not</p>	

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
		<p>violate Article 37, the Company may buy back its own shares, including any redeemable shares) and, upon confirmation by the court, where the Company's Articles of Incorporation have expressly provided so, a special resolution may be made to reduce capital. The Company registration authority (Registrar) will</p>	

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
		<p>register after receiving the order confirmed by the court and the record of the proceedings approved by the court (Article 14, Article 15 (1), Article 17 (1)).</p>	
<ol style="list-style-type: none"> 1. The procedure for the Company and its employees to sign a stock option contract or issue employee stock option certificates. 2. Employee stock option certificates may not be transferred, however this does 	<p>Article 167-2 of the Company Act</p>	<p>Cayman Islands company law does not provide special regulations on matters such as employee stock option contracts or procedures for issuing employee stock option</p>	<p>Although Article 14(a) and Article 14(b) of the Articles of Incorporation of the Company have been amended in accordance with the Important Matters for the Protection of Shareholder Equity, if there is an intent to transfer employee</p>

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
not apply for inheritors.		certificates.	subscription rights, it shall be stipulated in the employee stock option contract or employee stock option certificate.
The Company may not issue shares in bearer form. If the Company adopts par value shares, they may not be converted into no-par value shares; no-par value shares may not be converted into par value shares.	Article 137 and Paragraphs 5 and 6 of Article 156-1 of the Company Act	There are no similar provisions in the Cayman Islands Companies Act.	The provisions are in §4(a) of the Company's Articles of Incorporation, with the second provision added to the Articles of Incorporation through an amendment at the 2025 shareholders' meeting.
II. Convening and Resolution Method for Shareholders' Meetings			
1. The annual shareholders' meeting shall be convened at least once a year; it shall be convened	1. Article 170 of the Company Act 2. Article 172-2 of the Company Act	1. Except for exempted companies, the Company shall hold a shareholders'	The Company is an exempted company under Cayman law. Although it is not necessary to hold a general shareholders'

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>within six months after the end of each fiscal year. The shareholders' meeting shall be convened by the Board of Directors.</p> <p>2. According to Article 172-2 of the Company Act, a company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. Under the</p>	<p>3. Article 172-1 of the Company Act</p> <p>4. Article 173, Paragraph 1 and Paragraph 2; Article 173-1 of the Company Act</p> <p>5. Article 172 of the Company Act; Article 26-1 and Article 43-6 of the Securities and Exchange Act</p>	<p>meeting at least once a year (Article 58).</p> <p>2. Unless otherwise provided in the Articles of Incorporation, the notice of convening the shareholders' meeting shall be delivered to all shareholders five days in advance; shareholders' meetings may be convened with the attendance of three shareholders; the shareholders' meeting may be</p>	<p>meeting according to Cayman Islands company law, it is stipulated in Article 38 of the Articles of Incorporation: "The Company shall have its Board of Directors convene an annual shareholders' meeting within six months after the end of each fiscal year, and shall specify in the meeting notice that the meeting is an annual shareholders' meeting."</p> <p>Other matters are stipulated in Articles 39, 40, 43, and 51 of the Company's Articles of Incorporation.</p>

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>circumstances of calamities, incidents, or force majeure, the central competent authority may promulgate a ruling that a company, which has no above provision in its Articles of Incorporation, within a certain period of time, may hold its shareholders' meeting by means of visual communication network or other promulgated methods.</p> <p>3. In case a shareholders' meeting is proceeded via visual</p>		<p>chaired by the person selected by the shareholders in attendance (Article 61).</p> <p>3. The Company may adopt the provisions of Schedule A to explicitly require the convening of the annual shareholders' meeting in its Articles of Incorporation; the shareholders' meeting may be convened by the Board of Directors, or shareholders may request the Board of</p>	<p>However, there are slight discrepancies between Article 40 of the Company's Articles of Incorporation and the Important Matters for the Protection of Shareholder Equity listed in the preceding, which are explained below: According to the TWSE Letter No. 0991701319 dated April 13, 2010: "Description: 2. (3) While not contravening the laws and regulations of the place of registration, the foreign issuer shall stipulate in its articles of incorporation the right of minority</p>

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.</p> <p>4. When holding a visual shareholders' meeting, a public company shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.</p>		<p>Directors to convene in writing in accordance with the method prescribed in the Articles of Incorporation (Article 22 (1); Article 38 of Schedule A).</p> <p>4. Except as otherwise provided in the Company's Articles of Incorporation, a shareholder meeting may be convened when one shareholder is in attendance (Article 57).</p> <p>5. There are no similar</p>	<p>shareholders to request the convening of an extraordinary shareholders' meeting, and the part authorizing the competent authority to convene should be deleted." Therefore, Article 40 of the Company's Articles of Incorporation stipulates: "... If the Board of Directors fails to make notification of the extraordinary shareholders' meeting within fifteen days after the aforementioned shareholder's request, the shareholder who made the request may convene the extraordinary shareholders' meeting at its own</p>

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>5. Physical shareholders' meetings shall be held in the territory of the Republic of China. If the physical shareholders' meeting is held outside the Republic of China, the reporting to the stock exchange shall be performed within two days after the resolution of the Board of Directors or from the shareholders obtaining permission from the competent authority to convene the meeting.</p>		<p>provisions in Cayman Islands company law regarding the rights of minority shareholders to propose proposals.</p> <p>6. Regarding minority shareholders requesting the Board of Directors to convene an extraordinary shareholders' meeting, there is no similar requirement in Cayman Islands company law.</p>	<p>discretion in accordance with the Company Act for public offerings." The discrepancy should have no adverse effect on the Company's shareholder equity.</p> <p>In addition, the Company has not yet incorporated the provisions with respect to virtual shareholders' meetings into the Articles of Incorporation, and will amend the Articles in the future depending on legal requirements and actual needs.</p>

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>6. Shareholders who hold more than one percent of the total number of issued shares may submit proposals to the Company for an annual shareholders' meeting in writing or electronically. Except where the item in question is not a resolution obtained by the shareholders' meeting, the proposing shareholder's shareholding has not reached 1%, the item is proposed outside the announced acceptance</p>		<p>7. Regarding the matters that should be listed in the reasons for convening the shareholders' meeting, there is no similar requirement in Cayman Islands company law.</p>	

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>period, the item exceeds 300 words, or the items exceed one in number, the Board of Directors shall classify it as a proposal.</p> <p>Where a shareholder proposal is a suggestion to urge the Company to promote the public interest or fulfill its social responsibilities, the Board of Directors may still include it in the proposal.</p> <p>7. Shareholders holding more than 3% of the total issued shares for more than one year can write down</p>			

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>proposed matters and reasons and request that the Board of Directors convene an extraordinary shareholders' meeting. If the Board of Directors does not provide notification of the convening within 15 days after the request is made, the shareholders may report to the competent authority to convene the convening at their own discretion.</p> <p>8. Shareholders holding more than half of the total issued shares for</p>			

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>more than three months may convene an extraordinary shareholders' meeting at their own discretion. The calculation of the period of shareholders' shareholding and the number of shares held shall be based on the holdings at the time when the share transfer has stopped.</p> <p>9. The following matters shall be listed and explained in the reasons for convening the shareholders' meeting, and may not be proposed</p>			

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>as extempore motions; the main contents may be placed on the website designated by the competent securities authority or the Company, and the website URL shall be included in the notice:</p> <ul style="list-style-type: none"> (1) Election or dismissal of directors or supervisors; (2) Change to the Articles of Incorporation; (3) Capital reduction; (4) Application to stop the public offering; (5) Company dissolution, 			

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>merger, share conversion, and demerger;</p> <p>(6) Conclude, change, or terminate the lease of the entire business; to commission business or regular joint business contract with others;</p> <p>(7) Transfer of the whole or any essential part of the Company's business or assets;</p> <p>(8) or acceptance of the transfer of another complete business or assets that has significant</p>			

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>impact on the business operation of the Company;</p> <p>(9) Private placement of securities with equity;</p> <p>(10) Permission for directors to engage in non-competition behaviors;</p> <p>(11) Distribution of all or part of dividends and bonuses by issuing new shares;</p> <p>(12) The legal reserve and the capital surplus derived from the contributed capital in excess of par or donations being distributed to the original shareholders</p>			

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
by issuing new shares or cash.			
<ol style="list-style-type: none"> 1. When the Company holds a shareholders' meeting, an electronic means shall be included as one of the methods for exercising voting rights. 2. The Company must state in its shareholders' meeting notice the methods through which shareholders may exercise voting rights, i.e., in writing or in electronic form. Shareholders who exercise voting rights in 	<ol style="list-style-type: none"> 1. Article 177-1 of the Company Act 2. Article 177-2 of the Company Act 	<ol style="list-style-type: none"> 1. There is no similar requirement in Cayman Islands company law regarding the adoption of written or electronic voting for shareholders' meetings. 2. Cayman Islands company law does not have specific rules for the use of power of attorney. The Company may adopt the provisions of Schedule A and stipulate 	<p>The Company has provided relevant regulations in Articles 68 to 70 of its Articles of Incorporation.</p> <p>Article 68 of the Company's Articles of Incorporation stipulates: "When shareholders exercise their voting rights in the shareholders' meeting in writing or electronically in accordance with the previous regulations, they are deemed to have entrusted the chairman of that meeting as their agent." Although Cayman law holds that shareholders who</p>

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>writing or electronically are deemed to have attended the shareholders' meeting in person. However, for extempore motions and amendments to the original proposals of the shareholders' meeting, the shareholders shall be deemed as having abstained.</p> <p>3. Where shareholders exercise their voting rights in writing or electronically, their expression of intention shall be delivered to the Company two days before the</p>		<p>the relevant provisions of the power of attorney in shareholders' meetings in the Articles of Incorporation (Article 22, Article 59, Article 60 of Schedule A).</p>	<p>exercise their voting rights in this way will not be deemed as attending the shareholders' meeting in person, the shareholder substantially has the right to exercise all the rights of shareholders with voting rights in writing or electronically in accordance with the laws of the Republic of China, thus there should be no adverse impact on the equity of the Company's shareholders.</p>

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>convening of the shareholders' meeting. If there are any duplications of said expression of intention, the first delivered shall prevail. However, this is not applicable to those who have expressed their intentions before the declaration is revoked.</p> <p>4. After shareholders have exercised their voting rights in writing or electronically, those who wish to attend the shareholders' meeting in person shall revoke the</p>			

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>expression of their intention to exercise the voting rights in the preceding paragraph two days before the shareholders' meeting in the same manner as when exercising their voting rights; if the retraction notice is submitted after that time, votes by way of a written ballot or electronic transmission shall prevail.</p> <p>5. Where a shareholder has exercised voting rights in writing or electronically and entrusts an agent to attend</p>			

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>the shareholders' meeting with a power of attorney, the voting rights exercised by that agent shall prevail.</p>			
<p>1. Thirty days before convening a regular shareholders' meeting or 15 days before a special shareholders' meeting, the Company shall prepare the meeting announcement, proxy form, explanatory materials relating to proposals for ratification, matters for deliberation, election or</p>	<p>1. Article 5 of the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies 2. Article 6 of the Regulations Governing Content</p>		<p>The Company's board of directors has passed a resolution to propose in the 2023 annual shareholders' meeting, the amendment of Article 48 of Articles of Incorporation, where the Company shall announce the meeting agenda handbook and other meeting related information on the website specified by the FSC, Taipei Exchange or TWSE (if applicable), 30 days before convening an annual</p>

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>dismissal of directors, and other matters on the shareholders' meeting agenda.</p> <p>2. Where voting rights at a shareholders' meeting are to be exercised in writing, a print version of the materials referred to in the preceding paragraph and a printed ballot shall also be sent to the shareholders.</p> <p>A company shall prepare a manual for shareholders' meeting proceedings and shall disclose the manual together with other</p>	<p>and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies</p>		<p>shareholders' meeting or special shareholders' meeting.</p> <p>Same as Article 46(a) of the Company's Articles of Incorporation.</p>

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
<p>information related to the said shareholders' meeting in a public notice to be published no later than 21 days prior to the regular shareholders' meeting or 15 days prior to the special shareholders' meeting. However, in the case of a company with paid-in capital reaching NT\$2 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the</p>			

Important Matters for the Protection of Shareholder Equity	The Company Act, the Securities and Exchange Act, or other applicable laws and regulations	Relevant regulations of company law of the country where the foreign issuer is registered	Reasons and explanations for discrepancies
shareholders' meeting in the most recent fiscal year, it shall upload the foregoing electronic file 30 days prior to the day on which the shareholders' meeting is to be held.			
If the convening procedure of the shareholders' meeting or its resolution method violates the laws or regulations or the Articles of Incorporation, the shareholders may appeal to the court to revoke their resolutions, and the Taiwan Taipei District Court may approach the court of first instance.	Article 189 of the Company Act	There are no similar provisions in Cayman Islands company law.	Article 55 of the Articles of Incorporation stipulates: "The Company's shares are traded on the designated securities market. Subject to the permission of this law, the contents of the Articles of Incorporation may not prevent any filing of lawsuits or seeking of appropriate remedy from any court with jurisdiction within 30 days after the

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			<p>conclusion of the shareholders' meeting where the convening procedure or resolution method violate law or regulations or the Articles of Incorporation. Where there are disputes arising from the foregoing matters, the Taiwan Taipei District Court can be approached as the court of first instance." This regulation is slightly different from the Important Matters for the Protection of Shareholder Equity listed in the preceding.</p> <p>According to the Company's Articles of</p>

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			<p>Incorporation, such provisions may not be enforced under Cayman law, because the Cayman Islands court cannot recognize and enforce a non-monetary foreign judgment without having re-reviewed the legal basis of the dispute. Although the provisions of Article 55 of the Company's Articles of Incorporation are slightly different from the Important Matters for the Protection of Shareholder Equity listed in the preceding, the Company's Articles of Incorporation do not restrict the right of shareholders from</p>

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			<p>filing lawsuits in court or seeking remedy when the procedures for convening the shareholders' meeting or its resolution methods violate laws or regulations or the Articles of Incorporation; as to whether the court accepts such litigation, and whether the accepting court revokes the convening procedure or resolution method that violates the law or regulation or the Company's Articles of Incorporation, that court (regardless of whether it is in the Republic of China or Cayman</p>

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			<p>Islands or a court in another country with jurisdiction) shall consider whether the applicable laws provide shareholders with the right to revoke the lawsuit, and shall make judgment in accordance with their powers. These discrepancies are due to the nature of shareholders' revocation of the right of litigation, however the Company's Articles of Incorporation do not restrict the right of shareholders from filing lawsuits in court or seeking remedy. The discrepancy has had no adverse effect on the Company's</p>

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			shareholder equity.
<p>The following proposals involving major shareholder equity must be raised at a meeting attended by shareholders representing more than two-thirds of the total number of issued shares, and may only be approved by a majority of the voting rights of the shareholders in attendance. If the total number of shares of the shareholders in attendance is less than the aforementioned quota, approval may be obtained by the shareholders in attendance representing more than</p>	<ol style="list-style-type: none"> 1. Article 185 of the Company Act 2. Article 277 of the Company Act 3. Article 159 of the Company Act 4. Article 240 of the Company Act 5. Article 316 of the Company Act 	<ol style="list-style-type: none"> 1. Cayman Islands company law stipulates in Article 60 that a special resolution refers to (1) Where a vote is taken at a shareholders' meeting, the shareholders with voting rights at the shareholders' meeting shall, in person or through an agent (if permitted) reach a resolution with a majority of at least two-thirds of the voting rights of the 	<ol style="list-style-type: none"> 1. Article 2 of the Company's Articles of Incorporation provides a definition of a supermajority resolution, which refers to (i) a resolution passed by shareholders representing two-thirds or more of the total issued shares of the Company at the shareholders' meeting, and more than half of the voting rights of the shareholders present; or (ii) where the total number of shares represented by the

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<p>half of the total number of issued shares and more than two-thirds of the voting rights of the shareholders in attendance:</p> <ol style="list-style-type: none"> 1. The Company concludes, changes, or terminates the lease of the entire business; commissions business or regular joint business contract with others, transfers of the whole or any essential part of the Company's business or assets; or acceptance of the transfer of another complete business or assets that has significant impact on the business operation of the 		<p>shareholders in attendance at the Company's shareholders' meeting (the meeting notice states that the proposal is to be passed as a special resolution). The Company may, in its Articles of Incorporation, depending on the importance of the matter, set a higher number of votes than the special resolution stipulated in Cayman Islands company law; or (2) if the Articles of</p>	<p>shareholders attending the shareholders' meeting is less than two-thirds of the total issued shares of the Company but exceeds half of the total issued shares of the Company, the shareholders' meeting shall express its approval for a resolution by two-thirds or more of the voting rights of the shareholders in attendance at the meeting. (Shareholders who have attended but have not exercised their voting rights will be deemed to have abstained</p>

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<p>Company</p> <ol style="list-style-type: none"> 2. Change to the Articles of Incorporation 3. If the amendment to the articles of incorporation damages the rights of the shareholders of preferred shares, a resolution of the shareholders' meeting of the preferred shares shall also be required 4. Distribution of all or part of dividends and bonuses by issuing new shares 5. Resolution of dissolution, merger, or demerger 		<p>Incorporation clearly provide as such, the special resolution may also be signed-off and approved in writing by all shareholders with voting rights.</p> <ol style="list-style-type: none"> 2. According to the provisions of Cayman Islands company law, the following matters are subject to special resolutions: (1) Change of company name (Article 31);(2) Amendment to the Memorandum of 	<p>from exercising their voting rights, but they will still be counted in the number of voting rights in attendance at the meeting.)</p> <ol style="list-style-type: none"> 2. The Company has listed the preceding regulations in Article 60 of the Articles of Incorporation, and shall obtain the approval by supermajority resolution of the shareholders. In addition, changes to the Articles of Incorporation and mergers in accordance with Cayman Islands company law are made in

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		<p>Incorporation (Article 10);(3) Amendment to the Articles of Incorporation (Article 24);(4) Reduction of capital (Article 14);(5) Dissolved voluntarily by a special resolution where it is not because the Company cannot pay off its debts at maturity (Article 116(c));(6) Merger under Cayman Islands company law (Article 233).</p>	<p>accordance with a special resolution as stipulated in Article 59 of the Company's Articles of Incorporation.</p> <p>3. Explanation on the number of votes on the relevant proposals of the shareholders' meeting: According to the provisions of Cayman Islands company law and items that are subject to special resolutions in accordance with Cayman Islands company law, the shareholders shall make special resolutions in accordance with the Articles of</p>

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			<p>Incorporation. Such matters may not be resolved with a lower threshold for special resolutions given in the Cayman Islands company law. In addition to ordinary resolutions and supermajority resolutions stipulated in the Company Act of the Republic of China, the Articles of Incorporation of the Company also stipulate special resolutions in accordance with the definition under Article 60 of Cayman Islands company law. This is different from</p>

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			<p>the matters listed in the preceding that should be resolved by a supermajority resolution (including changes to the Articles of Incorporation, dissolution, merger) and other matters. Since these discrepancies are based on the provisions of Cayman Islands company law, the Company's Articles of Incorporation have separately specified matters which are subject to supermajority resolutions and statutory matters</p>

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			subject to special resolutions under Cayman Islands company law; such discrepancies will not adversely affect the equity of shareholders in Taiwan.
III. Authority and responsibility of directors and supervisors			
If the remuneration of directors is not stipulated in the Articles of Incorporation, it shall be determined by the shareholders' meeting, and may not be ratified afterwards.	Article 196, Paragraph 1 of the Company Act	There are no similar provisions in Cayman Islands company law. The Company's Articles of Incorporation may adopt Schedule A, which stipulates that the remuneration of directors shall be determined by the resolution of	Article 95(b) of the Company's Articles of Incorporation stipulates that regardless of the Company's profit or loss, the Board of Directors will refer to the recommendations of its remuneration committee (if one has been established) each year, and based on the following

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		<p>the shareholders' meeting (Article 22, Article 64 of Schedule A).</p>	<p>factors, determine (i) the extent of its involvement in the Company's operations;(ii) The value of its contribution to the Company;(iii) Considering the industry standards; and (iv) other relevant factors. In accordance with the Ministry of Economic Affairs interpretation no. 09302030870 dated March 8, 2004, as well as the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the</p>

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			Taiwan Stock Exchange or the Taipei Exchange," the Company's Board of Directors has established a remuneration committee, so the preceding requirements should have no adverse impact on the Company's shareholder equity.
1. Where a company has supervisors, the supervisors shall be selected by the shareholders' meeting, and at least one of the supervisors must have a domicile in the country.	Articles 216 to 222 of the Company Act	Cayman Islands company law does not implement a supervisory system, and there is no similar requirement.	According to the first section of Article 28-4, Paragraph 2 of the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings: "A foreign issuer shall install an audit committee." The Company has set up an

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<p>2. The term of office of the supervisors may not exceed three years. But they may be re-elected.</p> <p>3. When all supervisors are dismissed, the Board of Directors shall convene an extraordinary shareholders' meeting within 60 days to elect new supervisors.</p> <p>4. Supervisors shall oversee the business operations of the Company and may, whenever deemed necessary, inspect the</p>			<p>audit committee composed of all its independent directors (Article 139 of the Articles of Incorporation), so there is no need to set up an additional supervisor. The discrepancy should have no adverse effect on the Company's shareholder equity.</p>

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<p>business and financial status of the Company, examine audits, written copies or duplicates of ledgers and documents, and may request the board of directors or managers to provide relevant reports.</p> <p>5. Supervisors shall check the various documents for use at the shareholders' meeting prepared by the Board of Directors and report its opinions on such</p>			

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<p>documents to the shareholders' meeting.</p> <p>6. Supervisors may appoint accountants and lawyers to conduct audits on behalf of the Company.</p> <p>7. Supervisors may attend the Board of Directors meetings to state their opinions. If the Board of Directors or individual directors violate the laws, regulations, or resolutions of the shareholders' meeting in the</p>			

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<p>execution of business, the supervisor shall immediately notify the Board of Directors or directors to stop such actions.</p> <p>8. Each supervisor may exercise its supervisory power independently.</p> <p>9. A supervisor may not concurrently serve as director, manager, or other staff of the Company.</p>			
<p>1. Shareholders who continue to hold more than 1% of the total</p>	<p>Article 214 of the Company Act and Article 5 of the</p>	<p>Cayman Islands Companies Act does not stipulate implementation</p>	<p>1. Article 92(b) of the Articles of Incorporation stipulates: "So long as</p>

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<p>issued shares of the Company for more than six months may make a written request to the Audit Committee to file a lawsuit against a director for the Company, for which the Taiwan Taipei District Court may be the court of first instance.</p> <p>2. Within 30 days of the shareholder's request, if the Audit Committee does not file a lawsuit, the shareholder may file a lawsuit for the Company, and</p>	<p>Regulations Governing the Exercise of Powers by Audit Committees of Public Companies</p>	<p>of an audit committee system, and there is no similar requirement.</p>	<p>this law is not violated, shareholders who hold more than one percent of the total issued shares continuously for more than six months may make a written request for any independent director of the audit committee to file a lawsuit for the company against a director at a court with jurisdiction (including the Taiwan Taipei District Court). If the independent director does not file a lawsuit within 30 days of the date of receipt of the aforementioned written request, the</p>

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<p>the Taiwan Taipei District Court may be the court of first instance.</p>			<p>requesting shareholder may, within the scope permitted by the laws of the Cayman Islands, file a lawsuit for the Company.” Proposal submitted to the annual shareholder’s meeting in 2025 to amend the Company's Articles of Incorporation to specify the Audit Committee instead.</p> <p>2. Since the Cayman Islands court cannot recognize and enforce a non-monetary foreign judgment without having re-reviewed the legal basis of the dispute, even if the preceding</p>

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			<p>Important Matters for the Protection of Shareholder Equity are included in the Company's Articles of Incorporation, judgments or rulings made by the Taiwan Taipei District Court may not be recognized or enforced by the Cayman Court. In light of this fact, it is stipulated in the Company's Articles of Incorporation to bring lawsuits against the directors in a court with jurisdiction (including the Taiwan Taipei District Court).</p> <p>The discrepancy should have no</p>

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			adverse effect on the Company's shareholder equity.
<p>When a director or supervisor (applicable to a company with a supervisor) uses a pledge of shares to exceed one-half of the number of shares of the Company held at the time of election, the excess shares may not exercise voting rights and will not be counted as the number of voting rights of shareholders in attendance.</p>	<p>Article 197-1, Article 227 of the Company Act.</p>	<p>There are no similar provisions in Cayman Islands company law.</p>	<p>According to the first section of Article 28-4, Paragraph 2 of the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings: "A foreign issuer shall install an audit committee." The Company has set up an audit committee composed of all independent directors (Article 139 of the Articles of Incorporation), so there is no need to set up a supervisor. The discrepancy should have no adverse</p>

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			effect on the Company's shareholder equity.
<p>1. The directors of the Company shall conduct business in good faith and exercise the due care of a good administrator, and shall be held liable if there is a violation that causes damages to the Company. If the act is done by oneself or another, the shareholders' meeting may decide to treat the proceeds of the act as the Company's income.</p>	<p>Article 8, Paragraph 2 and Paragraph 3; Article 23, Paragraph 3 of the Company Act</p>	<p>1. Cayman Islands company law does not specify the obligations of directors. According to the common law principles applicable in the Cayman Islands, directors shall bear (1) fiduciary duties and (2) duty of care. The Company may request compensation from</p>	<p>Article 104 of the Company's Articles of Incorporation stipulates that when a director of the Company conducts business operations, if a violation of a law or order causes the Company to be liable for any compensation or damages to any person, that director shall be liable for joint and several compensation for damages with the Company; and if for any reason the director is not required to be jointly and severally liable</p>

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<p>2. The directors of the Company shall be jointly and severally liable for compensation to others if they cause damages to others by violating the law in the execution of the Company's business.</p> <p>3. The managers and supervisors of the Company shall have the same liability for damages as the directors of the Company within the scope of the performance of their duties.</p>		<p>directors who violate the above-mentioned obligations. In addition, if a director violates the obligations and benefits as a result, the Company may attribute such benefits to the Company.</p> <p>2. According to the principles of common law, the actions performed by the directors in the course of managing the</p>	<p>for compensation with the Company, that director shall compensate the Company for the losses suffered by the Company as a result of the breach of responsibilities. However, under the principles of Cayman laws and orders and common law, the third party may not necessarily have a basis for the claim against the director, but can directly appeal for compensation, even if the Company's Articles of Incorporation stipulate that the director shall be jointly and severally liable to others; and</p>

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		<p>business of the Company on behalf of the Company will be regarded as the Company's own actions. If the actions cause damage to any third party, the Company and not the director shall be held responsible to the third party for its actions. A third party requesting compensation for damages may not make a</p>	<p>liability for compensation cannot be used to create a basis for the claim. In addition, although Article 104 of the Company's Articles of Incorporation have stipulated that this obligation is also applicable to managers, if there is an intent to implement protection of shareholders' equity as a responsibility of this department for managers, the Company and the managers should specify such implementation in a separate contract. The discrepancy has had no adverse effect on the Company's</p>

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		<p>request in accordance with the Company's Articles of Incorporation. When the Company is liable for damages to a third party due to a breach of obligations by a director, the Company may request compensation from the director who caused the damages.</p> <p>3. In addition, Article 77 of</p>	<p>shareholder equity.</p>

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		<p>Cayman Islands company law stipulates that the responsibilities of company directors and managers are regulated by law. If there is not stipulated any special penalty or fine for violations, the directors or managers of the company shall be fined US\$5,000 for violation; article 78 stipulates that the</p>	

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		<p>Company's memorandum of incorporation may stipulate that the liability of directors and managers is unlimited.</p>	
<p>When a legal person is a shareholder, that legal person's representative may be elected as a director or supervisor. When there are several representatives, they may be elected separately, but they may not be elected at the same time or serve as directors and supervisors.</p>	<p>Article 27, Paragraph 2 of the Company Act</p>	<p>There are no similar provisions in Cayman Islands company law.</p>	<p>According to the first section of Article 28-4, Paragraph 2 of the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings: "A foreign issuer shall install an audit committee." The Company has set up an audit committee composed of all independent directors, and there is no</p>

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			<p>need to appoint a supervisor, so the Company charter does not regulate supervisors. The discrepancy should have no adverse effect on the Company's shareholder equity.</p>

Sports Gear Co., Ltd.

Chairman: Wei-Chia Chen



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