



寶成工業股份有限公司

POU CHEN CORPORATION

2024 ANNUAL REPORT

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Notice to readers

For the convenience of readers, the annual report has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language shall prevail. .

1. Name, title, telephone number and e-mail address of spokesperson and acting spokesperson:

Name of spokesperson: Yu, Shu-Hui

Title of spokesperson: Deputy Senior Manager

Telephone number of spokesperson: (04) 24615678

E-mail address: ir@pouchen.com

Name of acting spokesperson: Chang, Yea-Fen

Title of acting spokesperson: Senior Manager

Telephone number: (04) 24615678

E-mail address: ir@pouchen.com

Name of acting spokesperson: Chou, Yin-Fen

Title of acting spokesperson: Deputy Senior Manager

Telephone number: (04) 24615678

E-mail address: ir@pouchen.com

2. Address and telephone number of the head office, branch and factory:

Head office: No.2, Fugong Rd., Fuxing Township, Changhua County, Taiwan

Telephone number: (04) 7695147

Fax: (04) 7680577

Head office: No. 600, Sec. 4, Taiwan Blvd., Xitun Dist.,

Taichung City, Taiwan

Telephone number: (04) 24615678

Fax: (04) 24606668

Global Supply Chain Management: No.2, Fugong Rd., Fuxing Township, Changhua County, Taiwan

Telephone number: (04) 7695101

PCN Business Unit: No.2, Fugong Rd., Fuxing Township, Changhua County, Taiwan

Telephone number: (04) 7695171

PCM Business Unit: No. 190, Sec. 4, Fugong 3rd Rd., Fuxing Township, Changhua County, Taiwan

Telephone number: (04) 7754111

3. Name, address, website and telephone number of the stock agency:

Name: Yuanta Securities Co., Ltd.

Address: B1F, No. 67, Sec. 2, Dunhua S. Rd., Da'An Dist., Taipei City, Taiwan

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

Telephone number: (02)25865859

4. Name of certified public accountant ("CPA") who audited the most recent annual financial report and name, address, website and telephone number of the CPA Firm:

Name of CPA: Wu, Ker-Chang and Shyu, Wen-Yea

Name of CPA Firm: Deloitte & Touche

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

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

Telephone number: (02) 27259988

5. Name of the overseas stock exchange where the Company's overseas securities are transacted and access to the information regarding such overseas securities: N/A.

6. Website of the Company: <https://www.pouchen.com>



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I. LETTER TO SHAREHOLDERS

1.1 Result of Operations

Looking back at 2024, the overall economic landscape remained complex and volatile. Developed economies demonstrated clear signs of recovery, injecting momentum into global markets. The European Central Bank and the US Federal Reserve both implemented monetary easing policies. Japan's economy experienced weak growth due to multiple factors, leading the Bank of Japan to end its 17-year negative interest rate policy. Meanwhile, the real estate market in Mainland China remained sluggish, dampening consumer confidence and investor sentiment. Despite various countries having vastly different economic performances and inflation conditions, as well as industries recovering at varying paces, the global economy has shown moderate growth, driven by a pickup in international commodity trading and strong demand for emerging technology applications.

Facing myriad uncertainties and challenges in the business environment, the Company maintained a prudent business approach and demonstrated strong corporate resilience, resulting in significant growth in overall operations. For the year ended December 31, 2024, the Company reported its non-consolidated operating revenue of NT\$9.5 billion, and its consolidated operating revenue of NT\$263.8 billion, representing an increase of 6.97% compared to NT\$246.6 billion in the previous year. The net income attributable to owners of the Company reached as high as NT\$16 billion, representing a substantial increase of 50.94% compared to NT\$10.6 billion in the previous year. (Refer to Schedule 1 and Schedule 1-1)

(1) Operating revenue

The Company's consolidated operating revenue was generated from its two core businesses, manufacturing of shoes, and retail of sporting goods and wholesale business, accounting for 69% and 31% of consolidated operating revenue in 2024, respectively. (Refer to Schedule 2)

In the manufacturing of shoes business, the Company's operating revenue in 2024 increased by NT\$23 billion, mainly due to the end of the inventory adjustment cycle, a significant rebound in global demand for footwear products, and double-digit growth in shipment volume compared with the low base in 2023.

Meanwhile, the retail of sporting goods and wholesale business faced challenges stemming from an increasingly dynamic retail environment and more cautious consumer behavior in its main operating regions. Although online sales remained resilient, foot traffic in physical stores declined sharply, resulting in a decrease of NT\$5.8 billion in operating revenue for the business in 2024 compared with the previous year.

(2) Income from operations

In 2024, the Company's consolidated gross profit was NT\$65.2 billion, representing a 6.65% increase from NT\$61.1 billion in the previous year. The consolidated gross profit margin remained stable at 24.70%, mainly due to near-full order levels in the manufacturing of shoes business, significantly improved overall capacity utilization and production efficiency, and a substantial increase in its contribution to consolidated gross profit. At the same time, the retail of sporting goods and wholesale business also achieved improvements in discount control and inventory management.

With the growth in consolidated operating revenue, the benefits of operating scale steadily emerged. Through strict expense management, the consolidated operating expense rate declined to 18.66% in 2024, down from 20.64% in 2023. As a result, the consolidated income from operations was NT\$16 billion, representing an increase of 56.18% compared to the previous year.

(3) Net income and Earnings per share

The Company's delivered strong profit performance in 2024, benefiting from an increase in recognized investment income under equity method, which made a significant contribution to non-operating income. Both operating and non-operating profits recorded growth, driving net income attributable to owners of the Company to increase significantly by NT\$5.4 billion compared with the previous year. Earnings per share



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reached NT\$5.44, an increase of NT\$1.83 from NT\$3.61 in the previous year, demonstrating the Company's solid profitability.

Schedule 1: Consolidated Financial Statements

(In NT\$ thousands, except earnings per share)

Item	Year	2024		2023		+(-)%
		Amount	Ratio	Amount	Ratio	
Operating revenue		263,817,827	100%	246,633,714	100%	6.97%
Gross profit		65,175,049	25%	61,110,995	25%	6.65%
Income from operations		15,954,237	6%	10,215,593	4%	56.18%
Income before income tax		29,725,734	11%	19,466,681	8%	52.70%
Net income for the year		23,435,902	9%	15,973,481	6%	46.72%
Net income attributable to	Owners of the Company	16,035,591	6%	10,623,608	4%	50.94%
	Non-controlling interests	7,400,311	3%	5,349,873	2%	38.33%
Earnings per share (Basic)		5.44		3.61		

Schedule 1-1: Separate Financial Statements

(In NT\$ thousands, except earnings per share)

Item	Year	2024		2023		+(-)%
		Amount	Ratio	Amount	Ratio	
Operating revenue		9,547,132	100%	8,238,380	100%	15.89%
Gross profit		5,121,818	54%	4,602,011	56%	11.30%
Income from operations		976,339	10%	550,962	7%	77.21%
Income before income tax		17,445,053	183%	11,536,264	140%	51.22%
Net income for the year		16,035,591	168%	10,623,608	129%	50.94%
Earnings per share (Basic)		5.44		3.61		

Schedule 2: Consolidated Revenue

(In NT\$ thousands)

Primary Business	Year	2024		2023	
		Amount	Ratio	Amount	Ratio
Manufacturing of shoes		180,733,596	69%	157,726,049	64%
Retail of sporting goods and wholesale business		82,157,958	31%	87,972,900	36%
Others		926,273	-	934,765	-
Total		263,817,827	100%	246,633,714	100%



1.2 Research and Development

In 2024, the Company's consolidated research and development expenses amounted to NT\$4.7 billion, primarily allocated to the establishment of independent product development centers for brand customers. The Company works closely with customers throughout all stages, from product development to product prototyping, incorporating innovative elements and sustainable materials to produce high-quality footwear with enhanced flexibility in order to respond to market changes. The Company also invested in introducing self-developed critical equipment, modular production lines, flexible production processes, and digital management systems, thereby improving development efficiency, mass production capacity, and delivery management, while also fulfilling the requirements for sustainable development.

1.3 Corporate Sustainability

As a responsible corporate citizen, the Company is committed to upholding its corporate governance, promoting environmental sustainability, fulfilling social responsibilities, and respecting the rights and interests of stakeholders, including shareholders/investors, customers, employees, suppliers, and communities, while pursuing business performance. The Company has actively implemented the following actions:

(1) Environmental Sustainability

To effectively manage environmental risks and maintain ecological balance, the Company has continued to optimize the production process and introduced pollution prevention and control facilities as ways to reduce the impact on the environment. At the same time, we actively participate in carbon reduction and green energy development initiatives worldwide. Designating 2019 as the base year, we have adopted low-carbon production practices, expanded the use of green energy, and implemented energy-saving measures, with a target of achieving zero carbon emission growth by 2025. Furthermore, the Company has set a target to reduce GHG emissions by 46.2% by 2030 as compared with 2019. This target has been affirmed by the World Resources Institute (WRI) as aligned with the Science-Based Target initiative (SBTi). These efforts not only demonstrate the Company's commitment to addressing sustainability issues, but also enhance its reputation within the international community and among customers, as well as ensuring that energy consumption is in line with long-term environmental goals.

(2) Harmonious working environment

The Company identifies potential human rights and employee relations risks through interviews and grievance mechanisms, and endeavors to respond in a timely manner. Moreover, the Company has established effective two-way communication and problem-solving mechanisms, such as employee seminars, employee harmony and disciplinary committees, and employee relations communication platforms, etc., to better understand employee concerns, identify management opportunities, and effectively prevent labor-management disputes. In 2025, the Company will continue to organize employee engagement activities and community service events, and will encourage employee participation in order to foster stronger cohesion and strengthen alignment with the Company's core values. The Company will also maintain close interactions with unions as well as promote collective growth and development, thereby creating a positive and friendly workplace environment

(3) Occupational Safety and Health Management

The Company has established and implemented a top-down safety culture and risk prevention practices to ensure continuous safe operations across all manufacturing facilities. In 2025, the Company will continue to strengthen occupational hazard and fire prevention technologies, root cause analysis and improvement of accidents, basic infrastructure, risk mapping, and behavioral safety observations. A safety-first culture will be further embedded across all facilities through safety visits between factories, key factory coaching programs, and the implementation of ten core safety principles. In addition, the Company will strengthen factory



self-management based on occupational safety and health assessment results, and enhance employees' safety awareness and implementation capabilities through the occupational safety and health companionship system and cross-departmental collaborations. These efforts will help identify potential risks at an early stage, enabling more effective risk control and continuous improvement in overall safety performance.

(4) Compliance Management

The Company identifies operational deficiencies through routine inspection mechanisms coupled with annual audits. In-depth investigations are conducted on any issues identified in daily operations, with follow-up tracking to ensure timely and effective improvements. These efforts aim to reduce or eliminate the likelihood of major incidents and ensure that all factory operations comply with the Group's code of conduct, local laws and regulations, customers' standards, and international regulations, so as to achieve the ultimate goal of deepening relationships with customers. In 2025, the Company will continue to uphold the spirit and principles of the UN's "Universal Declaration of Human Rights" and "Guiding Principles on Business and Human Rights," as well as the ILO's "Declaration on Fundamental Principles and Rights at Work" among other international human rights conventions, in an effort to create a workplace environment where human rights are protected, and where employees' legal rights to freedom of assembly and collective bargaining are fully respected.

1.4 2025 Business Plan

(1) Operating Guidelines

The Company adheres to its core values of "Professionalism, Dedication, Innovation and Service", leveraging flexible and forward-looking business strategies to maintain a leading position in the industry. The Company will continue to focus on the steady development of its two core businesses, manufacturing of shoes and retail of sporting goods and wholesale business. The following initiatives will be sequentially undertaken:

■ Manufacturing of Shoes Business

A. Improved production capacity management and implementation of diversified production bases

To leverage regional production advantages and respond quickly to market demand fluctuations, the Company has established diversified production bases and achieved economies of scale. In light of intensifying global trade challenges and the ongoing restructuring of production networks, the Company will, in 2025, continue to strengthen its global manufacturing by increasing production capabilities across various regions and flexibly adjusting capacity allocations. These efforts will support the Company's medium- and long-term strategic deployment plans, including the expansion of production capacity in Indonesia and India, thereby laying a solid foundation for sustained growth in the footwear manufacturing business.

B. Providing comprehensive solutions through innovative manufacturing technology

As a key strategic partner to brand customers, the Company will continue to expand its investment in advanced technologies and smart manufacturing, further solidifying its position at the forefront of innovation. From innovative development and process optimization to flexible production and diversified products, the Company provides brand customers with comprehensive solutions and differentiated services that precisely align with market demands. In doing so, the Company ensures that the footwear products it manufactures are of high quality and competitiveness, thereby fostering long-term, mutually beneficial partnerships.



C. Moving towards smart manufacturing through digital technology

The Company will continue to advance its long-term digital transformation strategy, including the deep integration of its manufacturing management systems into the One Common Platform (OCP). The Company has also upgraded its SAP ERP system, focusing on automation enhancements and innovative applications to comprehensively optimize production scheduling, resource allocations, and quality management. In addition, the Company has widely adopted digital tools such as Robotic Process Automation (RPA) and Dynamic Resource Scheduling (DRS), and has introduced AI machine learning technologies to enable intelligent, data-driven decision-making. These initiatives contribute to the full realization of digital transformation, unlock deeper business value, and drive continued innovation and growth.

D. Actively strengthening supply flexibility in response to the ongoing trend of supply chain shortening

The Company has established a comprehensive and flexible supply chain, striving to take full advantage of vertical integration. Furthermore, it continuously enhances product quality and cost-effectiveness by adhering to the principles of localized sourcing and timely responsiveness. Amid the ongoing global trend of supply chain restructuring, the Company will further strengthen its collaboration with supply chain partners. Through resource integration, knowledge sharing, and technological cooperation, the Company aims to improve overall operational efficiency and adaptability, thereby building a supply chain network characterized by greater agility, resilience, and efficiency.

■ Retail of sporting goods and wholesale business

A. Reorganizing physical stores based on precisely-identified market requirements

Physical stores remain a critical and irreplaceable sales touchpoint for consumers seeking to discover new products, enjoy personalized services, and engage in unique shopping experiences. In 2025, the Company will continue to dynamically plan its physical store network, focusing on core target consumer groups, delivering friendly one-stop shopping experiences, and creating a complete sales cycle. Moreover, through the implementation of efficiency improvement initiatives aimed at increasing store traffic, conversion rates, and repurchase frequency, the Company seeks to drive high-margin, in-season sales growth.

B. Effective sales scaling with digitalized operations

In response to rapidly changing consumer demands, the Company has accelerated the integration of online channels into its overall sales network. In addition to driving sales through traffic generated by major e-commerce platforms, the Company has also developed a "Pan-WeChat Ecosphere" as an extension of its physical stores to enhance profitability. In 2025, the Company will continue to deepen its digital operations, refine the precision of its marketing strategies, and expand market reach and business growth momentum through a differentiated, multi-dimensional operational matrix.

C. Improving sales efficiency and strengthening operational growth capabilities

The Company will continue to deepen and expand strategic cooperation with brand partners, enhance membership programs and inventory integration, and provide customers with a more comprehensive and higher quality experience. Moreover, the Company will further upgrade and optimize its ERP system and integrate it with business intelligence systems to enable real-time monitoring of overall business performance. By leveraging digital tools to improve operational efficiency, optimize resource allocation, and enhance member services, the Company aims to develop unique core competitiveness in order to drive long-term business growth.



(2) Prospects

Looking ahead to 2025, slowing inflation rates have led to major central banks easing their interest rate policies, which will help stimulate consumer demand and enhance investment willingness. Most international forecasting agencies expect the global economy to maintain stable growth. However, austerity measures in some countries nonetheless lead to pressure on their economies, and coupled with the increasing number of import restrictions between nations, the risk of economic shocks and fluctuations remains.

Despite the numerous challenges in the global business environment, increasing awareness toward health has led to the mainstream adoption of exercise lifestyles. This has positively influenced people's demand for exercise and, concordantly, more opportunities for growth within the industry. The Company is confident in the future development of the sports industry, of which it is a part.

In terms of footwear manufacturing, the Company will adhere to flexible and diversified production capacity strategy and continue to invest in digital transformation and smart manufacturing, thus strengthening the resilience and sustainability of its supply chains. This will enable the Company to provide brand customers with comprehensive manufacturing services that offer the highest value. Regarding retail of sporting goods and wholesale business, the Company will continue to promote the integrated development of physical stores and digital channels in order to expand its sales platforms and reach a broader range of consumer groups. The Company will also leverage digital tools to assist in decision-making and further improve its operational efficiency.

The Company will continue to uphold the highest standards of corporate governance, prioritize talent development and organizational efficiency, and create an environment for digital innovation. Furthermore, the Company has established a Risk Management Steering Committee and a Sustainable Development Steering Committee, both composed of high-level managers, in order to continuously improve the Company's risk management mechanisms and gradually implement sustainable development strategies. These measures will help the Company strengthen key competitive advantages as well as create mutual value and sustainable returns for all stakeholders.

Chairman of the Board: Chan, Lu-Min



President:

Lu, Chin-Chu





II. CORPORATE GOVERNANCE REPORT
2.1 Information of Directors, Presidents, Vice Presidents, Senior Managers, and Department Heads

(1) Directors

A. Information of Directors

Title	Nationality or registration area	Name	Gender	Age	Date of appointment	Tenure (years)	Date of first appointment	Shareholding upon appointment		Current Shareholding		Spouse and minor Shareholding		Shareholding by nominee arrangement		Education and/or experiences	Positions held concurrently in the Company and other companies	Other manager, Director who is this person's spouse or relative(s) within the second degree of kinship			Where the Company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship (Note 1)
								Number of shares	Ratio	Number of shares	Ratio	Number of shares	Ratio	Number of shares	Ratio			Title	Name	Relation	
Chairman	R.O.C.	Chuan Mou Investments Co., Limited	-	-	2022.06.15	3	2022.06.15	163,425,022	5.55%	163,425,022	5.55%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
	R.O.C.	Representative: Chan, Lu-Min	Male	70-79	2022.06.15	3	1992.08.08	366,452	0.01%	366,452	0.01%	0	0.00%	0	0.00%	Director, Nan Shan Life Insurance Co., Limited; Executive Director, Yuen Industrial (Holdings) Limited; President of the Administration Management Department of the Company; Statistics Department, National Chung Hsing University	Note 2	N/A	N/A	N/A	None
Director	R.O.C.	Tsai, Pei-Chun	Female	30-49	2022.06.15	3	2016.06.15	4,177,779	0.14%	4,177,779	0.14%	0	0.00%	0	0.00%	Director, Mega Financial Holding Co., Ltd.; Managing Director and Executive Director, Yuen Industrial (Holdings) Limited; Non-executive Director, Pou Sheng International (Holdings) Limited; Economic and Finance Department, Wharton School of the University of Pennsylvania, USA	Note 3	Director	Tsai, Min-Chieh	Sisters	None
Director	R.O.C.	Tzong Ming Investments Co., Limited	-	-	2022.06.15	3	2013.06.14	6,340,933	0.22%	6,340,933	0.22%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
	R.O.C.	Representative: Tsai, Min-Chieh	Female	30-49	2022.06.15	3	2013.06.14	3,471,485	0.12%	3,471,485	0.12%	0	0.00%	0	0.00%	Director, Nan Shan Life Insurance Co., Limited; Financial Analytics, Bloomberg News (USA); Economic and Finance Department, Wharton School of the University of Pennsylvania, USA	Note 4	Director Tsai, Pei-Chun	Tsai, Min-Chieh	Sisters	None



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Title	Nationality or registration area	Name	Gender	Age	Date of appointment	Tenure (years)	Date of first appointment	Shareholding upon appointment		Current Shareholding		Spouse and minor Shareholding		Shareholding by nominee arrangement		Education and/or experiences	Positions held concurrently in the Company and other companies	Other manager, Director who is this person's spouse or relative(s) within the second degree of kinship			Where the Company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship (Note 1)
								Number of shares	Ratio	Number of shares	Ratio	Number of shares	Ratio	Number of shares	Ratio			Title	Name	Relation	
Director	R.O.C.	Ever Green Investments Corporation	-	-	2022.06.15	3	2007.04.24	23,216,045	0.79%	23,216,045	0.79%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
	R.O.C.	Representative: Lu, Chin-Chu	Male	70-79	2022.06.15	3	2011.03.07	1,070,470	0.04%	1,070,470	0.04%	73,300	0.002%	0	0.00%	Director, Nan Pao Resins Chemical Co., Limited; Director, Evermore Chemical Industry Co., Limited; Director, San Fang Chemical Industry Co., Limited; Chairman and Executive Director, Yue Yaen Industrial (Holdings) Limited; President of the Company; Master Degree in Business Administration, National Chung Hsing University	Note 5	N/A	N/A	N/A	None
Director	R.O.C.	Shechtang Enterprise Corporation	-	-	2022.06.15	3	2003.10.03	4,415,010	0.15%	4,415,010	0.15%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
	R.O.C.	Representative: Wu, Pan-Tsu	Male	70-79	2022.06.15	3	2020.07.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Vice President, Corporate Banking Division, Taishin Bank; Vice President, Business Department, BNP Paribas; Vice President, Business Department, Chase Manhattan Bank; Chairman and Executive Director, Pou Sheng International (Holdings) Limited; President of Retail Department of the Company; Director, Nan Shan Life Insurance Co., Limited; Director, Elitegroup Computer Systems Co., Limited; Banking and Insurance Department, Tamkang University	Note 6	N/A	N/A	N/A	None



Title	Nationality or registration area	Name	Gender	Age	Date of appointment	Tenure (years)	Date of first appointment	Shareholding upon appointment		Current Shareholding		Spouse and minor Shareholding		Shareholding by nominee arrangement		Education and/or experiences	Positions held concurrently in the Company and other companies	Other manager, Director who is this person's spouse or relative(s) within the second degree of kinship			Where the Company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship (Note 1)
								Number of shares	Ratio	Number of shares	Ratio	Number of shares	Ratio	Number of shares	Ratio			Title	Name	Relation	
	R.O.C.	Shun Tai Investments Co., Limited	-	-	2022.06.15	3	2022.06.15	24,367,867	0.83%	24,367,867	0.83%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
Director	R.O.C.	Representative: Ho, Yue-Ming	Male	50-69	2022.06.15	3	2016.06.15	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Vice President, HTC Corporation; Vice President of the Company; Director, Elitegroup Computer Systems Co., Limited; Director, Nan Shan Life Insurance Co., Limited; Master of Laws, National Taiwan University	Note 7	N/A	N/A	N/A	None
Independent Director	R.O.C.	Chen, Huan-Chung	Male	50-69	2022.06.15	3	2018.06.15	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Vice President, E.Sun Bills Finance Corporation; Supervisor of the Company; Partner, Wang Tong & Co., CPAs; Independent Non-executive Director, Pou Sheng International (Holdings) Limited; Industrial Management Department, National Taiwan University of Science and Technology	Note 8	N/A	N/A	N/A	None
Independent Director	R.O.C.	Hsu, Chu-Sheng	Male	50-69	2022.06.15	3	2022.06.15	0	0.00%	0	0.00%	0	0.00%	0	0.00%	General Manager, General Electric International Inc., Taiwan Branch (USA); President, IBM Taiwan Corporation; Adjunct professor, Leadership Program at National Taiwan University; Adjunct professor, Institute of Technology Management at National Tsing Hua University; Independent Director, Energy Technology Inc.; Independent Director, Alexander Marine Co., Ltd.; Independent Director, Fubon Bank (China); Master of Computer Science, Stevens Institute of Technology, USA	Note 9	N/A	N/A	N/A	None



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Title	Nationality or registration area	Name	Gender	Age	Date of appointment	Tenure (years)	Date of first appointment	Shareholding upon appointment		Current Shareholding		Spouse and minor Shareholding		Shareholding by nominee arrangement		Education and/or experiences	Positions held concurrently in the Company and other companies	Other manager, Director who is this person's spouse or relative(s) within the second degree of kinship			Where the Company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship (Note1)
								Number of shares	Ratio	Number of shares	Ratio	Number of shares	Ratio	Number of shares	Ratio			Title	Name	Relation	
Independent Director	R.O.C.	Chang, Shih-Chieh	Male	50-69	2022.06.15	3	2022.06.15	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Independent Director, KGI Financial Holding Co., Ltd.; Independent Director, KGI Life Insurance Co., Ltd.; Independent Director, Taiwan Life Insurance Co., Ltd.; Independent Director, TLG Insurance Co., Ltd.; Director, CTBC Business School; Independent Director, CTBC Life Insurance Co., Ltd.; Independent Director, CTBC Bank Co., Ltd.; Independent Director, CTBC Financial Holding Co., Ltd.; Member, Financial Supervisory Commission; Non-member director, Securities Investment Trust & Consulting Association of the R.O.C.; Member, Financial Ombudsman Institution; Director, Taiwan Insurance Institute; Director, Taiwan Insurance Guaranty Fund; Chairman, Insurance Anti-Fraud Institute; Member, Labor Funds Supervisory Committee, Ministry of Labor; Chairman, Pan-Asia Risk and Insurance Management Association; Member, Risk Management Society of Taiwan; CEO, EMBA, College of Commerce, National Chengchi University; Professor, Department of Risk Management and Insurance, National Chengchi University; Consultant, Financial White Papers, Taiwan Roundtable Co., Ltd.;	Note 10	N/A	N/A	N/A	None



Title	Nationality or registration area	Name	Gender	Age	Date of appointment	Tenure (years)	Date of first appointment	Shareholding upon appointment		Current Shareholding		Spouse and minor Shareholding		Shareholding by nominee arrangement		Education and/or experiences	Positions held concurrently in the Company and other companies	Other manager, Director who is this person's spouse or relative(s) within the second degree of kinship			Where the Company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship (Note 1)
								Number of shares	Ratio	Number of shares	Ratio	Number of shares	Ratio	Number of shares	Ratio			Title	Name	Relation	
																Consultant, Securities Investment Trust & Consulting Association of the R.O.C.; Member, Financial Stability Board of Central Bank (R.O.C.); Chairman, Risk Management Society of Taiwan; Ph.D., Department of Statistics, University of Wisconsin-Madison, USA					



- Note 1: Where the Company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of applicable information on the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., number of independent director seats added, and more than half of directors are not employees or managers of a company): None.
- Note 2: President of the Administration Management Department of the Company; Chairman of Pou Shine Investments Co., Limited, Pou Zhi Investments Co., Limited; Executive Director of Yue Yuen Industrial (Holdings) Limited; Director of the subsidiaries of Yue Yuen Industrial (Holdings) Limited, Wealthplus Holdings Limited and its subsidiaries, Win Fortune Investments Limited, Footwear and Recreation Technology Research Institute, PC Brothers Corporation, Oftenrich Holdings Limited, Brilliant Ocean Limited; Commissioner of the subsidiaries of Yue Yuen Industrial (Holdings) Limited.
- Note 3: Managing Director and Executive Director of Yue Yuen Industrial (Holdings) Limited; Non-executive Director of Pou Sheng International (Holdings) Limited; Director of Wealthplus Holdings Limited, Chih-Chun Co., Limited.
- Note 4: Chairman of PC Holdings Limited; Director of Chung Ming Investments Co., Limited, Tzong Ming Investments Co., Limited, Chih-Chun Co., Limited.
- Note 5: President of the Company; Chairman of Windsor Entertainment Co., Limited; Chairman and Executive Director of Yue Yuen Industrial (Holdings) Limited; Director of the subsidiaries of Yue Yuen Industrial (Holdings) Limited, Wealthplus Holdings Limited and its subsidiaries, Win Fortune Investments Limited, San Fang Chemical Industry Co., Limited, Zhongao Multiplex Management Group Co., Limited; Representative of Yue Yuen Industrial Limited, Taiwan Branch; Commissioner of the subsidiaries of Yue Yuen Industrial (Holdings) Limited.
- Note 6: Director of PC Brothers Corporation, Red Magnet Developments Limited.
- Note 7: Vice President of the Company; Director of the subsidiaries of Yue Yuen Industrial (Holdings) Limited, Wealthplus Holdings Limited, Ruen Chen Investment Holding Co., Limited, Nan Shan Life Insurance Co., Limited, Zhongao Multiplex Management Group Co., Limited, Ka Te Footwear Material (Shishi) Limited, Hua Jian Industrial Holding Co., Limited, Ka Te Footwear Material (HK) Limited.
- Note 8: Independent Non-executive Director of Pou Sheng International (Holdings) Limited and Partner of Wang Tong & Co., CPAs.
- Note 9: Independent Director of inergy Technology Inc., Alexander Marine Co., Ltd., Fubon Bank (China)
- Note 10: Independent Director of KGI Financial Holding Co., Ltd., KGI Life Insurance Co., Ltd.



B. Major shareholders of the institutional shareholders

March 31, 2025

Name of institutional shareholder	Major shareholders of the institutional shareholders	
	Shareholder	Ratio (%)
Chuan Mou Investments Co., Limited	Santarem Pte. Limited	49.83
	Shun Tai Investments Co., Limited	30.02
	Seawind Management Limited	7.97
	Ever Green Investments Corporation	6.71
	Yu Chi Investments Co., Limited	3.27
	Yu Jie Investments Co., Limited	2.20
Tzong Ming Investments Co., Limited	Taishin International Bank Trust Account by Huang, Shu-Man	66.55
	Chuan Mou Investments Co., Limited	33.45
Ever Green Investments Corporation	Santarem Pte. Limited	71.74
	Seawind Management Limited	28.26
Sheachang Enterprise Corporation	Taishin International Bank Trust Account by Huang, Shu-Man	56.07
	Tsai, Chi-Neng	16.22
	Tsai, Chi-Chien	15.32
	Tsai, Chi-Hu	7.83
	Tsai, Nai-Fung	3.50
	Lin, Li-Mei	0.89
	Hsieh, Shu-Chuan	0.17
Shun Tai Investments Co., Limited	Chuan Mou Investments Co., Limited	36.14
	Seawind Management Limited	45.83
	Goal Score Investments Limited	18.03

C. Major shareholders of the Company's major institutional shareholders

March 31, 2025

Name of institutional shareholder	Major shareholders of the institutional shareholder	
	Shareholder	Ratio (%)
Santarem Pte. Limited	Sitori Trading Limited	100.00
Seawind Management Limited	Prime Grill Investments Limited	100.00
Yu Chi Investments Co., Limited	Taishin International Bank Trust Account by Huang, Shu-Man	0.20
	Seawind Management Limited	0.80
	Goal Score Investments Limited	99.00
Yu Jie Investments Co., Limited	Seawind Management Limited	1.67
	Goal Score Investments Limited	98.33
Goal Score Investments Limited	Sitori Trading Limited	100.00



D. Professional Qualification of Directors and Independence of Independent Directors

Name	Requirements	Professional Qualification, Experience (Note 1)	Independence of Independent Directors	Number of other public companies in which the person holds a concurrent position as an independent director
Chuan Mou Investments Co., Limited Representative: Chan, Lu-Min		<ol style="list-style-type: none"> Mr. Chan has about 40 years of finance and accounting management experience. Chairman of the Board of Directors, President of the Administration Management Department of the Company and Executive Director of Yue Yuen Industrial (Holdings) Limited. Mr. Chan was Director of Nan Shan Life Insurance Co., Limited. 		0
Tsai, Pei-Chun		<ol style="list-style-type: none"> Ms. Tsai has about 20 years of experience in the manufacturing of shoes and retailing of sporting goods and brand licensing. Managing Director and Executive Director of Yue Yuen Industrial (Holdings) Limited and Non-executive Director of Pou Sheng International (Holdings) Limited. Ms. Tsai was Director of Mega Financial Holding Company Limited. 		0
Tzong Ming Investments Co., Limited Representative: Tsai, Min-Chieh		<ol style="list-style-type: none"> Ms. Tsai has about 10 years of financial experiences. Ms. Tsai was Financial Analytics in Bloomberg News (USA) and Director of Nan Shan Life Insurance Co., Limited. 		0
Ever Green Investments Corporation Representative: Lu, Chin-Chu		<ol style="list-style-type: none"> Mr. Lu has about 40 years of experience in the manufacturing of footwear and footwear materials production management. President of the Company, Chairman and Executive Director of Yue Yuen Industrial (Holdings) Limited and Director of San Fang Chemical Industry Co., Limited. Mr. Lu was Director of Nan Pao Resins Chemical Co., Limited and Evermore Chemical Industry Co., Limited. 	NA	0
Sheachang Enterprise Corporation Representative: Wu, Pan-Tsu		<ol style="list-style-type: none"> Mr. Wu has about 40 years of financial experiences. Mr. Wu was President of Retail Department of the Company, Chairman and Executive Director of Pou Sheng International (Holdings) Limited, Director of Nan Shan Life Insurance Co., Limited and Elitegroup Computer Systems Co., Limited. 		0
Shun Tai Investments Co., Limited Representative: Ho, Yue-Ming		<ol style="list-style-type: none"> Mr. Ho has about 20 years of legal experience. Vice President of Legal Department of the Company and Director of Nan Shan Life Insurance Co., Limited. Mr. Ho was Vice President of HTC Corporation and Director of Elitegroup Computer Systems Co., Limited. 		0



Requirements	Professional Qualification, Experience (Note 1)	Independence of Independent Directors	Number of other public companies in which the person holds a concurrent position as an independent director
Name Chen, Huan-Chung	1. Mr. Chen owned a CPA and Securities Analyst License. 2. Independent Non-executive Director of Pou Sheng International (Holdings) Limited. 3. Mr. Chen was Vice President of E-Sun Bills Finance Corporation. He is Partner of Wang Tong & Co., CPAs, who has about 30 years experience of accounting, auditing, management of investment and financial analysis. 1. Adjunct professor of Leadership Program at National Taiwan University. 2. Independent Director of inergy Technology Inc., Alexander Marine Co., Ltd. and Fubon Bank (China). 3. Mr. Hsu was Adjunct professor of Leadership Program at Institute of Technology Management at National Tsing Hua University, General Manager of General Electric International Inc., Taiwan Branch (USA) and President of IBM Taiwan Corporation. He has about 30 years experience of business management, leadership of multinational corporation and organization change.	1. The Independent Directors satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Financial Supervisory Commission. 2. The Independent Directors (or held by the person under others' names) as well as his/her spouse do not hold any common shares of Pou Chen Corporation. 3. The Independent Directors received no compensation or benefits for providing commercial, legal, financial, accounting services or other services to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service".	1
Hsu, Chu-Sheng	1. Professor of Department of Risk Management and Insurance, National Chengchi University. 2. Independent Director of KGI Financial Holding Co., Ltd., KGI Life Insurance Co., Ltd and Chairman of Risk Management Society of Taiwan. 3. Mr. Chang was Independent Director of CTBC Financial Holding Co., Ltd., Member of Financial Supervisory Commission, Chairman of Insurance Anti-Fraud Institute and Member, Labor Funds Supervisory Committee, Ministry of Labor. He has about 20 years experience of management of risk, financial and insurance.	1. The Independent Directors satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Financial Supervisory Commission. 2. The Independent Directors (or held by the person under others' names) as well as his/her spouse do not hold any common shares of Pou Chen Corporation. 3. The Independent Directors received no compensation or benefits for providing commercial, legal, financial, accounting services or other services to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service".	2
Chang, Shih-Chieh	1. Professor of Department of Risk Management and Insurance, National Chengchi University. 2. Independent Director of KGI Financial Holding Co., Ltd., KGI Life Insurance Co., Ltd and Chairman of Risk Management Society of Taiwan. 3. Mr. Chang was Independent Director of CTBC Financial Holding Co., Ltd., Member of Financial Supervisory Commission, Chairman of Insurance Anti-Fraud Institute and Member, Labor Funds Supervisory Committee, Ministry of Labor. He has about 20 years experience of management of risk, financial and insurance.	1. The Independent Directors satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Financial Supervisory Commission. 2. The Independent Directors (or held by the person under others' names) as well as his/her spouse do not hold any common shares of Pou Chen Corporation. 3. The Independent Directors received no compensation or benefits for providing commercial, legal, financial, accounting services or other services to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service".	2

(Note 1): The Directors and Independent Directors of the Company are not been a person of any conditions defined in Article 30 of the Company Law.

(Note 2): 1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law

2. Not serving concurrently as an independent director on more than three other Taiwanese public companies in total.

3. During the two years before being elected and during the term of office, meet any of the following situations:

(1) Not an employee of the company or any of its affiliates.

(2) Not a director or supervisor of the company or any of its affiliates.

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs(2) and (3).

(5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law.

(6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company.

(7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent).

(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.

(9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or other services to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years exceeds NT\$500,000".



E. The Board of member's diversity policy and Independence

(A) Diversity policy of the Company's Board

Pursuant to the Board of Directors Diversity Policy, the Company's Board of Directors shall include at least one director of a different gender. It shall also ensure that the Board collectively possesses key professional expertise in corporate strategy, accounting and tax finance, law, administration, and manufacturing management. When the 24th Board of Directors was elected in June 2022, the Company selected nine directors (including three independent directors), two of whom were female. The members of the Company's Board of Directors have diverse professional backgrounds, covering key areas such as corporate strategy, accounting and tax finance, law, administration, and manufacturing management. They each possess the knowledge, skills, and qualities necessary to fulfill their responsibilities. The directors' industry experience and professional competencies are mutually complementary, enabling the Board to make decisions based on comprehensive and professional judgment. This effectively enhances corporate governance and improves the Company's management efficiency. Please refer to the table below for specific implementation details.

Additionally, in order to further promote gender diversity on the Board and in alignment with international trends toward gender equality, the Company has planned for the election of the 25th Board of Director's in 2025 to actively follow a policy whereby each gender shall comprise at least one-third of all nominated director candidates in order to increase diversity and inclusion within the Board of Directors. The Company will continue promoting corporate governance best practices, further improving the Company's competitiveness and shareholder value.

Name	Gender	Age		Education	Industrial Experience	Academic Background	Specialty Fields
		30-49	Over 50				
Chan, Lu-Min	Male		V	Statistics Department, National Chung Hsing University	V		Finance and accounting, business management and corporate governance
Tsai, Pei-Chun	Female	V		Economic and Finance Department, Wharton School of the University of Pennsylvania, USA	V		Finance, strategic planning and enterprise development
Tsai, Min-Chieh	Female	V		Economic and Finance Department, Wharton School of the University of Pennsylvania, USA	V		Finance
Lu, Chin-Chu	Male		V	Master Degree in Business Administration, National Chung Hsing University	V		Production management and business management
Wu, Pan-Tsu	Male		V	Banking and Insurance Department, Tamkang University	V		Finance and insurance
Ho, Yue-Ming	Male		V	Master of Laws, National Taiwan University	V		Legal and administrative management
Chen, Huan-Chung	Male		V	Industrial Management Department, National Taiwan University of Science and Technology	V		Accounting, auditing, and Investment analysis.
Hsu, Chu-Sheng	Male		V	Master of Computer Science, Stevens Institute of Technology, USA	V	V	Business management, leadership and organization change
Chang, Shih-Chieh	Male		V	Ph.D., Department of Statistics, University of Wisconsin-Madison, USA	V	V	Management of risk, financial and insurance

(B) Independence of the Company's Board: The 24th term Board of Directors of the Company comprises nine directors, three of whom are independent directors (33%) as required by law. Spousal or familial relationship within the second degree of kinship does not exist among more than half of the company's directors. The term of all independent directors does not exceed nine years which conform to the requirement of the independence of the Board.



(2) Information of Presidents, Vice Presidents, Senior Managers, and Department Heads

March 31, 2025; Unit: shares

Title	Nationality	Name	Gender	Date of appointment	Current Shareholding		Spouse and minor Shareholding		Shareholding by nominee arrangement		Main education and/or experiences	Positions held concurrently in other companies	Officer who is this person's spouse or relative(s) within the second degree of kinship			Where the Company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship (Note 1)
					Number of shares	Ratio (%)	Number of shares	Ratio (%)	Number of shares	Ratio (%)			Title	Name	Relation	
Chairman and President of the Administration Management Department	R.O.C.	Chan, Lu-Min	Male	1996.07.01	366,452	0.01%	0	0.00%	0	0.00%	Director, Nan Shan Life Insurance Co., Limited; Executive Director, Yue Yuen Industrial (Holdings) Limited; Statistics Department, National Chung Hsing University	Note 2	N/A	N/A	N/A	None
President	R.O.C.	Lai, Chin-Chu	Male	2006.07.27	1,070,470	0.04%	73,300	0.002%	0	0.00%	Director, Nan Pao Resins Chemical Co., Limited; Director, Evermore Chemical Industry Co., Limited; Director, San Fang Chemical Industry Co., Limited; Chairman and Executive Director, Yue Yuen Industrial (Holdings) Limited; Master Degree in Business Administration, National Chung Hsing University	Note 3	N/A	N/A	N/A	None
Vice President	U.S.A.	Liu, Hong-Chih	Male	2016.11.14	0	0.00%	0	0.00%	0	0.00%	Managing Director, China International Capital Corporation Limited; Executive Director, Yue Yuen Industrial (Holdings) Limited; Degree in Finance and Entrepreneurial Management, Wharton School of University of Pennsylvania, USA	Note 4	N/A	N/A	N/A	None
Vice President	R.O.C.	Ho, Yue-Ming	Male	2016.03.24	0	0.00%	0	0.00%	0	0.00%	Vice President, HTC Corporation; Director, Elitegroup Computer Systems Co., Limited; Director, Nan Shan Life Insurance Co., Limited; Master of Laws, National Taiwan University	Note 5	N/A	N/A	N/A	None



POU CHEN CORPORATION

Title	Nationality	Name	Gender	Date of appointment	Current Shareholding		Spouse and minor Shareholding		Shareholding by nominee arrangement		Main education and/or experiences	Positions held concurrently in other companies	Officer who is this person's spouse or relative(s) within the second degree of kinship			Where the Company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship (Note 1)
					Number of shares	Ratio (%)	Number of shares	Ratio (%)	Number of shares	Ratio (%)			Title	Name	Relation	
Vice President	R.O.C.	Hu, Chia-Ho	Male	2019.03.25	0	0.00%	0	0.00%	0	0.00%	Executive Director, Yue Yuen Industrial (Holdings) Limited; Master Degree of Science, University of Wisconsin, Madison, USA	Note 6	N/A	N/A	N/A	None
Vice President	R.O.C.	Chiu, Hui-Yao	Male	2019.03.25	0	0.00%	0	0.00%	0	0.00%	IT Director, RT-Mart; Master Degree in Computer Science and Engineering Department, National Chiao Tung University	N/A	N/A	N/A	N/A	None
Vice President	R.O.C.	Minston Chao	Male	2020.08.14	0	0.00%	0	0.00%	0	0.00%	Vice President of The Wyatt Company; PhD in Human Resource Management, National Sun Yat-sen University	N/A	N/A	N/A	N/A	None
Vice President	R.O.C.	Shih, Chih-Hung	Male	2020.11.13	0	0.00%	40,000	0.001%	0	0.00%	Director, Nan Pao Resins Chemical Co., Limited; Director, Elitegroup Computer Systems Co., Limited; Director, Evermore Chemical Industry Co., Limited; Executive Director and chief financial officer, Yue Yuen Industrial (Holdings) Limited; Accounting Department, Chung Yuan Christian University	Note 7	N/A	N/A	N/A	None
Vice President	R.O.C.	Lee, Qin-Xue	Male	2023.08.14	0	0.00%	0	0.00%	0	0.00%	Chief security officer, Foxconn Company of Foxconn Technology Group; 48th Annual graduate, Central Police University	N/A	N/A	N/A	N/A	None
Executive Senior Manager	R.O.C.	Yen, Chia-Wen	Female	2023.08.14	0	0.00%	0	0.00%	0	0.00%	Director, Elitegroup Computer Systems Co., Limited; Senior Manager of Legal Department, HTC Corporation; Master of Laws, National Chengchi University	Note 8	N/A	N/A	N/A	None



Title	Nationality	Name	Gender	Date of appointment	Current Shareholding		Spouse and minor Shareholding		Shareholding by nominee arrangement		Main education and/or experiences	Positions held concurrently in other companies	Officer who is this person's spouse or relative(s) within the second degree of kinship			Where the Company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship (Note 1)
					Number of shares	Ratio (%)	Number of shares	Ratio (%)	Number of shares	Ratio (%)			Title	Name	Relation	
Executive Senior Manager	R.O.C.	Johnson Tong	Male	2024.04.15	0	0.00%	0	0.00%	0	0.00%	Business Operations Senior Manager, Pegasus Footwear Co. MBA, University of Oregon, USA	Note 9	N/A	N/A	N/A	None
Executive Senior Manager	R.O.C.	Lin, Wang-Chyan	Male	2024.04.15	0	0.00%	0	0.00%	0	0.00%	Director, Nan Pao Resins Chemical Co., Limited; Director, San Fang Chemical Industry Co., Limited; Head of HR Department, Pou Sheng International (Holdings) Limited; Master of Philosophy, Tunghai University	Note 10	N/A	N/A	N/A	None
Executive Senior Manager	R.O.C.	Chen, Chia Hung	Male	2024.08.14	0	0.00%	0	0.00%	0	0.00%	Senior Manager of global HR of the Yageso Corporation; Partial completed of Graduate Institute of HR Management, National Central University	N/A	N/A	N/A	N/A	None
Financial Officer	R.O.C.	Chang, Yea-Fen	Female	2012.10.31	119,687	0.004%	0	0.00%	0	0.00%	Senior Manager of Finance Department of the Company; Master in Business Administration, Texas A&M University, USA	Note 11	N/A	N/A	N/A	None
Accounting Officer	R.O.C.	Wu, Hui-Chi	Female	2015.12.25	0	0.00%	5,000	0.00%	0	0.00%	Senior Manager of Accounting Department of the Company; Master in Accounting, Golden Gate University, USA	Note 12	N/A	N/A	N/A	None
Corporate Governance Officer	R.O.C.	Huang, Chao-Fen	Female	2022.08.12	0	0.00%	0	0.00%	0	0.00%	Manager, Capital Market Department of Taiwan International Securities Co., Ltd.; Accounting Department, Providence University	N/A	N/A	N/A	N/A	None



- Note 1: Where the Company's Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of applicable information on the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., number of independent director seats added, and more than half of directors are not employees or managers of a company): None.
- Note 2: Chairman of Pou Shine Investments Co., Limited, Pou Zhi Investments Co., Limited; Executive Director of Yue Yuen Industrial (Holdings) Limited; Director of the subsidiaries of Yue Yuen Industrial (Holdings) Limited, Wealthplus Holdings Limited and its subsidiaries, Win Fortune Investments Limited, Footwear and Recreation Technology Research Institute, PC Brothers Corporation, Oftenrich Holdings Limited, Brilliant Ocean Limited; Commissioner of the subsidiaries of Yue Yuen Industrial (Holdings) Limited.
- Note 3: Chairman of Windsor Entertainment Co., Limited; Chairman and Executive Director of Yue Yuen Industrial (Holdings) Limited; Director of the subsidiaries of Yue Yuen Industrial (Holdings) Limited, Wealthplus Holdings Limited and its subsidiaries, Win Fortune Investments Limited, San Fang Chemical Industry Co., Limited, Zhongao Multiplex Management Group Co., Limited; Representative of Yue Yuen Industrial Limited, Taiwan Branch; Commissioner of the subsidiaries of Yue Yuen Industrial (Holdings) Limited.
- Note 4: Executive Director of Yue Yuen Industrial (Holdings) Limited; Director of the subsidiaries of Yue Yuen Industrial (Holdings) Limited.
- Note 5: Director of the subsidiaries of Yue Yuen Industrial (Holdings) Limited, Wealthplus Holdings Limited, Ruen Chen Investment Holding Co., Limited, Nan Shan Life Insurance Co., Limited, Zhongao Multiplex Management Group Co., Limited, Ka Te Footwear Material (Shishi) Limited, Hua Jian Industrial Holding Co., Limited, Ka Te Footwear Material (HK) Limited.
- Note 6: Executive Director of Pou Sheng International (Holdings) Limited; Director of the subsidiaries of Yue Yuen Industrial (Holdings) Limited, Cruiser Ventures Limited, Explorer Enterprises Ltd., Future Motive Investments Ltd.
- Note 7: Executive Director and CFO of Yue Yuen Industrial (Holdings) Limited; Executive Director of Eagle Nice (International) Holdings Limited; Director of the subsidiaries of Yue Yuen Industrial (Holdings) Limited, Yangzhou Baoyi Shoes Manufacturing Co., Ltd., Venture Well Holdings Limited, Hua Jian Industrial Holdings Co., Limited, Ka Yuen (Vietnam) Rubber Factory Ltd., Cruiser Ventures Ltd., Explorer Enterprises Ltd. ; Commissioner of the subsidiaries of Yue Yuen Industrial (Holdings) Limited, PT. Recycle Center Indonesia.
- Note 8: Director of Yueju Global CO., LTD., Venture Well Holdings Limited, the subsidiaries of Yue Yuen Industrial (Holdings) Limited.,
- Note 9: Executive Director of Eagle Nice (International) Holdings Limited; Director of Orisol Taiwan Limited, Windsor Entertainment Co., Limited, the subsidiaries of Yue Yuen Industrial (Holdings) Limited, Oftenrich Holdings Limited, Victorious Investments Ltd., Yu Chang Investments Limited, Geostar Investments Limited, Sunny State Enterprises Limited, Richy Field Investments Limited, Easy Network Trading Limited, Trade Max Holdings Limited, Hsiang Fu Investment



Ltd, Horizon City Investment Limited, Bonitos Holdings Limited, Glory Advantage Holdings Limited, Brandblack INC., DaySun Consultants Limited; Supervisor of Winchaise Co., Ltd.

Note 10: Chairman of I-Tech. Sporting Enterprise Ltd., Dah Sheng Vietnam Co., Ltd., and Dah-Chen Shoe Materials Ltd.; Non-executive Director of Prosperous Industrial (Holdings) Limited; Director of Nan Pap Resins Chemical Co., Ltd., San Fang Chemical Industry Co., Limited, the subsidiaries of Yue Yuen Industrial (Holdings) Limited, Ka Te Footwear Material (Shishi) Limited, Yangzhou Baoyi Shoes Manufacturing Co., Ltd., Dongguan Yu Xiang Shoes Material Co., Ltd., Dong Guan Yu Yuen Mold Co., Ltd., Zhongshan Poushun Paper Products Manufacturing Co., Limited, Dong Guan Yue Guan Paper Products Co., Limited, Jiang Xi Hwa Ching Foam Limited, Ka Yuen Rubber Factory Limited, Top Units Developments Limited, Mostwell Limited, Ka Yuen Trading Limited, Raidant Lion Limited, Time Swift Investments Limited, Radiant Ally Holdings Limited, Active Creation Co., Ltd., Mega Sky International Limited, Go Eastern Limited, Jumbo Power Enterprises Limited, Ka Te Footwear Material (HK) Limited, Superb King Investments Limited, Pou Ming Paper Products Manufacturing Company Limited, Upsize Limited, Rise Bloom International Limited, Prosperlink Limited, Prosper Day Limited; Representative of Radiant Lion Limited, Taiwan Branch (British Virgin Islands); Commissioner of PT. Ka Yuen Indonesia, PT. DahSheng.

Note 11: Chairman of Pou Hui Investments Co., Limited; Director of Pou Yi Investments Co., Limited.

Note 12: Chairman of Pou Yuen Technology Co., Limited, Barits Development Corporation, Song Ming Investments Co., Limited, Pro Arch International Development Enterprise Inc., Lai Chia

Investments Co., Limited, Pou Chien Enterprise Co., Limited; Director of Windsor Entertainment Co., Limited, Global Biotech Inc., Pou Hui Investments Co., Limited, Wealthplus Holdings Limited and its subsidiaries, Win Fortune Investments Limited, Golden Brands Developments Limited; Supervisor of Pou Yui Development Co., Limited, Pou Chien Technology Co., Limited, I-Tech. Sporting Enterprise Limited.



POU CHEN CORPORATION

2.2 The remuneration paid to Directors, Presidents and Vice Presidents for the Most Recent Fiscal Year

(1) Remuneration paid to Directors (including independent Directors)

Title	Name	Directors' Remuneration				Relevant Remuneration Received by Directors Who are Also Employees				Total Remuneration and ratio of total remuneration (A+B+C+D+E+F+G) to Net Income (%) (Note 4)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary							
		Salary (A)		Pension (B) (Note 1)		Remuneration (C) (Note 2)		Allowance (D)		Salary, bonus and special fees etc. (E)			Pension (F) (Note 1)		Total Remuneration and ratio of total remuneration (A+B+C+D+E+F+G) to Net Income (%) (Note 4)				
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements					
Chairman	Chuan Mou Investments Co., Limited Representative: Chan, Lu-Min	0	10,163	0	0	142,992	142,992	900	900	12,360	52,568	0	0	167,930	218,301	1.05%	1.36%	720	
Director	Tsai, Pei-Chun																		
Director	Tzong Ming Investments Co., Limited Representative: Tsai, Min-Chieh																		
Director	Ever Green Investments Corporation Representative: Lu, Chin-Chu																		
Director	Shee-chang Enterprise Corporation Representative: Wu, Pan-Tsu																		
Director	Shun Tai Investments Co., Limited Representative: Ho, Yue-Ming																		
Independent Director	Chen, Huan-Chung																		
Independent Director	Hsu, Chu-Sheng	4,320	5,555	0	0	0	0	120	120	0	0	0	0	4,440	5,675	0.03%	0.04%	-	
Independent Director	Chang, Shih-Chieh																		

1. Please describe the policy, system, standard and structures of remuneration payment for independent directors, and their association with the amount of remuneration payment according to their responsibilities, risks, and the time spent by independent directors, among other factors:

The remuneration structure for independent directors of the Company involves monthly fixed remuneration payment and attendance and transportation allowances. The amount is determined by not only referring to board performance evaluation results, but also by following Article 16-1 of the Company's Articles of Incorporation, which states that the Remuneration Committee shall review each director's level of participation in and value of contribution to the Company's operations, take into account the general standards adopted by the industry, and propose suggestions to the Board of Directors for resolution.

2. Except as disclosed above, remuneration received by directors in the latest year for on-balance sheet services (e.g. acting as a non-employee consultant) rendered to the Company: Director, Wu, Pan-Tsu, NT\$4,680 thousands.



Range of Remuneration	Name of Directors			
	Aggregate amount of the preceding four remuneration items (A+B+C+D)		Aggregate amount of the preceding seven remuneration items (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Under NTS\$1,000,000	Chan, Lu-Min, Tsai, Min-Chieh, Lu, Chin-Chu, Wu, Pan-Tsu, Ho, Yue-Ming	Chan, Lu-Min, Tsai, Min-Chieh, Lu, Chin-Chu, Wu, Pan-Tsu, Ho, Yue-Ming	Tsai, Min-Chieh, Wu, Pan-Tsu	Tsai, Min-Chieh, Wu, Pan-Tsu
NTS\$ 1,000,000 (included)~ NTS\$ 2,000,000 (excluded)	Chen, Huan-Chung, Hsu, Chu-Sheng, Chang, Shih-Chieh	Hsu, Chu-Sheng, Chang, Shih-Chieh	Chen, Huan-Chung, Hsu, Chu-Sheng, Chang, Shih-Chieh	Hsu, Chu-Sheng, Chang, Shih-Chieh
NTS\$ 2,000,000 (included)~ NTS\$ 3,500,000 (excluded)	Sheachang Enterprise Corporation, Tsai, Pei-Chun	Sheachang Enterprise Corporation, Chen, Huan-Chung	Sheachang Enterprise Corporation, Tsai, Pei-Chun	Sheachang Enterprise Corporation, Chen, Huan-Chung
NTS\$ 3,500,000 (included)~ NTS\$ 5,000,000 (excluded)	Tzong Ming Investments Co., Limited	Tzong Ming Investments Co., Limited	Tzong Ming Investments Co., Limited	Tzong Ming Investments Co., Limited,
NTS\$ 5,000,000 (included)~ NTS\$ 10,000,000 (excluded)			Chan, Lu-Min, Lu, Chin-Chu Ho, Yue-Ming	Ho, Yue-Ming
NTS\$ 10,000,000 (included)~ NTS\$ 15,000,000 (excluded)	Ever Green Investments Corporation	Ever Green Investments Corporation Tsai, Pei-Chun	Ever Green Investments Corporation	Ever Green Investments Corporation, Tsai, Pei-Chun
NTS\$ 15,000,000 (included)~ NTS\$ 30,000,000 (excluded)	Shun Tai Investments Co., Limited	Shun Tai Investments Co., Limited,	Shun Tai Investments Co., Limited	Shun Tai Investments Co., Limited, Chan, Lu-Min, Lu, Chin-Chu
NTS\$ 30,000,000 (included)~ NTS\$ 50,000,000 (excluded)				
NTS\$ 50,000,000 (included)~ NTS\$ 100,000,000 (excluded)				
Over NTS\$ 100,000,000 (included)	Chuan Mou Investments Co., Limited	Chuan Mou Investments Co., Limited	Chuan Mou Investments Co., Limited	Chuan Mou Investments Co., Limited
Total	14 persons	14 persons	14 persons	14 persons

Note 1: The amount of pension was actually paid by the Company and Companies in the consolidated financial statements in 2024.

Note 2: Resolved by the Board of Directors on March 12, 2025.

Note 3: As of the date of publication of the annual report, the 2024 amount of employee remuneration distribution has not yet been determined, and the proposed amount is tentatively estimated based on the actual distribution of 2023.

Note 4: The calculation is based on the net income of the Company's 2024 separate financial statements. (NTS 16,035,591 thousand).



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(2) Remuneration paid to Presidents and Vice Presidents

Title	Name	Salary (A)		Pension (B) (Note 1)		Bonuses and Allowances (C)		Employee Compensation (D) (Note 2)				Total remuneration and ratio of total remuneration(A+B+C+D) to net income (%) (Note 3)		Compensation paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	Amount of cash	Amount of stock	The Company	Companies in the consolidated financial statements	
Chairman and President of the Administration Management Department	Chan, Lu-Min													
President	Lu, Chin-Chu													
Vice President	Liu, Hong-Chih													
Vice President	Chang, Chia-Li (Note 4)													
Vice President	Ho, Yue-Ming	27,463	80,702	5,194	5,194	12,060	37,588	23,916	0	23,916	0	68,633	147,400	3,798
Vice President	Hu, Chia-Ho													
Vice President	Chiu, Hui-Yao													
Vice President	Minston Chao													
Vice President	Shih, Chih-Hung													
Vice President	Lee, Qin-Xue													



Range of Remuneration	Name of Presidents and Vice Presidents	
	The Company	Companies in the consolidated financial statements
Under NT\$1,000,000		
NT\$ 1,000,000 (included)~ NT\$ 2,000,000 (excluded)		
NT\$ 2,000,000 (included)~ NT\$ 3,500,000 (excluded)		
NT\$ 3,500,000 (included)~ NT\$ 5,000,000 (excluded)		
NT\$ 5,000,000 (included)~ NT\$ 10,000,000 (excluded)	Lu, Chin-Chu, Chan, Lu-Min, Ho, Yue-Ming, Liu, Hong-Chih, Chang, Chia-Li, Hu, Chia-Ho, Chiu, Hui-Yao, Minston Chao, Shih, Chih-Hung, Lee, Qin-Xue	Ho, Yue-Ming, Chiu, Hui-Yao, Minston Chao, Lee, Qin-Xue
NT\$ 10,000,000 (included)~ NT\$ 15,000,000 (excluded)		Chang, Chia-Li, Hu, Chia-Ho, Shih, Chih-Hung
NT\$ 15,000,000 (included)~ NT\$ 30,000,000 (excluded)		Lu, Chin-Chu, Chan, Lu-Min, Liu, Hong-Chih
NT\$ 30,000,000 (included)~ NT\$ 50,000,000 (excluded)		
NT\$ 50,000,000 (included)~ NT\$ 100,000,000 (excluded)		
Over NT\$ 100,000,000 (included)		
Total	10 persons	10 persons

Note 1: The amount of pension was actually paid by the Company and Companies in the consolidated financial statements in 2024.

Note 2: As of the date of publication of the annual report, the 2024 amount of employee remuneration distribution has not yet been determined, and the proposed amount is tentatively estimated based on the actual distribution of 2023.

Note 3: The calculation is based on the net income of the Company's 2024 separate financial statements. (NT\$ 16,035,591 thousand).

Note 4: Retired as an officer on December 30, 2024.



(3) Distribution of employees' compensation paid to officers

(In NT\$ thousands)

	Title	Name	Amount of stock	Amount of cash (Note1)	Total	Ratio of Total Amount to Net Income (%) (Note 2)
Officers	Chairman and President of Administration Management Department	Chan, Lu-Min	0	33,867	33,867	0.21
	President	Lu, Chin-Chu				
	Vice President	Liu, Hong-Chih				
	Vice President	Ho, Yue-Ming				
	Vice President	Hu, Chia-Ho				
	Vice President	Chiu, Hui-Yao				
	Vice President	Minston Chao				
	Vice President	Shih, Chih-Hung				
	Vice President	Lee, Qin-Xue				
	Executive Senior Manager	Yen, Chia-Wen				
	Executive Senior Manager	Johnson Tong				
	Executive Senior Manager	Lin, Wang-Chyan				
	Executive Senior Manager	Chen, Chia Hung				
	Financial Officer	Chang, Yea-Fen				
	Accounting Officer	Wu, Hui-Chi				
	Corporate Governance Officer	Huang, Chao-Fen				

Note 1: As of the date of publication of the annual report, the 2024 amount of employee remuneration distribution has not yet been determined, and the proposed amount is tentatively estimated based on the actual distribution of 2023.

Note 2: The calculation is based on the net income of the Company's 2024 separate financial statements. (NT\$ 16,035,591 thousand).



- (4) Compare the ratio of total remuneration that the Company and Companies in the consolidated financial statements paid to Directors, Presidents and Vice Presidents to the net income for the past two fiscal years with a discussion of the remuneration policy, standards and composition of remuneration payment, procedures to determine the remuneration, and the connection between the remuneration payment and the Company's performance and future risks.

Title	Ratio of Total Amount to Net Income (%)			
	2024		2023	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Directors	0.93%	1.00%	0.94%	1.05%
Presidents and Vice Presidents	0.43%	0.92%	0.64%	1.40%

The Company disburses remuneration to its Directors and Officers in accordance with Article 16-1 and 23 of the Articles of Incorporation (as noted in Note 1 and Note 2), with reference to the general standards adopted by the industry, the scope of authority, and the contributions to the Company's operational goals. The Company also takes into consideration the decision-making risks associated with the position, the potential for failing to meet operating goals, and the risk of non-compliance with policies and regulations when determining fair remuneration. Remuneration for Directors and officers reflects both the Company's overall operational performance and results from annual performance evaluations.

The director's remuneration structure of the Company comprises remuneration, director's remuneration based on annual profits, and attendance fees. Independent directors receive a fixed monthly remuneration and attendance fees but do not share in directors' remuneration distribution. The remuneration of individual directors is determined based on the decision-making risks they assume and performance evaluations. Distribution is then allocated according to the equity each director represents in the current term, along with the outcomes of performance evaluations. Performance evaluations criteria encompass supervising and supporting the Company's sustainable development goals, attendance at Board meeting and shareholders' meetings and director training.

The officer's remuneration structure of the Company comprises a fixed monthly salary, variable salaries (including performance bonuses, employees' compensation, year-end bonuses and other incentives), pensions calculated according to law, and employee benefits. The fixed monthly salary considers job content, responsibilities, decision-making risks, and industry market salary levels. Variable compensation is determined based on the Company's operational performance and whether officers have achieved key performance indicators. Key performance indicators are set based on short-, medium-, and long-term goals set for each officer's respective department. In addition to indicators related to job performance, ESG (Environmental, Social, and Governance) goals are also included. The environmental sustainability goals established for officers in 2024 include legal compliance rates, carbon reduction measures, and the establishment of green supply chains. Social sustainability goals include the establishment of a complete talent pool, the creation of long-term talent development plans, and the promotion of a diverse and inclusive company culture. Goals related to governance include legal compliance, the establishment of a risk



management framework (covering information security, intellectual property management, and operational risk management), achievement rates for revenue and profit targets in each profit center, as well as achievement rates for improvements in gross margin and profit margin

The remuneration of directors and officers of the Company is not only referring to past operational performance but also factors in strategic performance goals and distribution standards, structures, and system. Future risk factors are also taken into account to avoid behaviors that may exceed the Company's risk threshold in pursuit of remuneration. In addition, the Company's remuneration committee regularly evaluates the remuneration policy and system for directors and officers, and submits the recommendations to the board of directors for resolution.

Note 1: Article 16-1: The Company may pay compensation to Directors performing duties for the benefit of the Company regardless of the Company's profit performance. The board of Directors is authorized to determine, according to the general standards adopted by the industry, Directors' compensation based on the level and value of contributions to the Company's operations.

Note 2: Article 23: The Company shall appropriate 1 to 5% of the profit of the fiscal year (profit shall mean the income before income tax less Employees' compensation and Directors' remuneration) for employees' compensation and may appropriate no higher than 3% of the same profit as Directors' remuneration. In the presence of accumulated loss, the Company shall allocate an amount to recover such loss before appropriating any employees' and Directors' remuneration in accordance with the ratios prescribed by the preceding paragraph.



2.3 Implementation of Corporate Governance

(1) Operations of the Board of Directors

Seven meetings of the Board of Directors were held in 2024. The attendance status of the Directors is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance Rate (%)	Notes
Chairman	Chuan Mou Investments Co., Limited Representative: Chan, Lu-Min	7	0	100.00	
Director	Tsai, Pei-Chun	7	0	100.00	
Director	Tzong Ming Investments Co., Limited Representative: Tsai, Min-Chieh	7	0	100.00	
Director	Ever Green Investments Corporation Representative: Lu, Chin-Chu	7	0	100.00	
Director	Sheachang Enterprise Corporation Representative: Wu, Pan-Tsu	7	0	100.00	
Director	Shun Tai Investments Co., Limited Representative: Ho, Yue-Ming	7	0	100.00	
Independent Director	Chen, Huan-Chung	7	0	100.00	
Independent Director	Hsu, Chu-Sheng	7	0	100.00	
Independent Director	Chang, Shih-Chieh	7	0	100.00	
Other matters to be specified:					
I. Where any of the following circumstances occurs with respect to the operation of the Board of Directors, meeting dates, sessions, contents of resolutions, opinions of all independent directors, and actions taken by the Company in response to opinions of independent directors shall be noted.					
1. Matters prescribed under Article 14-3 of the Securities and Exchange Act: The Company had established an Audit Committee which is not subject to Article 14-3 of the Securities and Exchange Act.					



2. Except for the matters mentioned in the preceding paragraph, matters resolved by the Board of Directors, to which an independent director has a dissenting or qualified opinion that is on record or stated in a written statement : None.

II. For any recusal of Directors due to conflict of interests in certain proposals, name of the Director, contents of resolutions, reasons for the recusal and participation in the voting shall be noted :

Meeting Dates	Contents of resolutions	Name of Directors	Reasons for the recusal	Participation in the voting shall be noted
2024.01.30 12th meeting of the 24th Board of Directors	Discussed the 2023 annual bonus for the officers of the Company.	Chan, Lu-Min, Lu, Chin-Chu, Ho, Yue-Ming		
2024.03.14 13th meeting of the 24th Board of Directors	Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries.	Chan, Lu-Min, Lu, Chin-Chu, Tsai, Pei-Chun, Tsai, Min-Chieh, Ho, Yue-Ming		
2024.04.15 14th meeting of the 24th Board of Directors	Release the director of the Company from non-competition restrictions. Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries.	Ho, Yue-Ming Chan, Lu-Min, Lu, Chin-Chu, Tsai, Pei-Chun, Tsai, Min-Chieh, Ho, Yue-Ming	The Directors are stakeholders of this proposal.	Recused from discussion and voting of this proposal.
2024.05.15 15th meeting of the 24th Board of Directors	Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries.	Chan, Lu-Min, Lu, Chin-Chu, Tsai, Pei-Chun, Tsai, Min-Chieh, Ho, Yue-Ming		
2024.08.14 16th meeting of the 24th Board of Directors	Discussed the amount of the Company's 2023 distribution for directors' remuneration. Discussed the 2023 Employees' Compensation for the Company's officers. Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries.	Chan, Lu-Min, Lu, Chin-Chu, Tsai, Pei-Chun, Tsai, Min-Chieh, Wu, Pan-Tsu, Ho, Yue-Ming Chan, Lu-Min, Lu, Chin-Chu, Ho, Yue-Ming Chan, Lu-Min, Lu, Chin-Chu, Tsai, Pei-Chun, Tsai, Min-Chieh, Ho, Yue-Ming		



Meeting Dates	Contents of resolutions	Name of Directors	Reasons for the refusal	Participation in the voting shall be noted
2024.11.12 17th meeting of the 24th Board of Directors	Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries.	Chan, Lu-Min, Lu, Chin-Chu, Tsai, Pei-Chun, Tsai, Min-Chieh, Ho, Yue-Ming	The Directors are stakeholders of this proposal.	Recused from discussion and voting of this proposal.
2024.12.19 18th meeting of the 24th Board of Directors	Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries.	Chan, Lu-Min, Lu, Chin-Chu, Tsai, Pei-Chun, Tsai, Min-Chieh, Ho, Yue-Ming		

III. Listed and over-the-counter companies shall disclose the evaluation cycle and periods, scope, method, and content of evaluation and other information relevant to the self (peer) evaluation of board of directors:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Content of Evaluation	Result	Remark
Implemented once every year	January 01, 2024 to December 31, 2024	The Board	Internal Assessment of the Board	Participation in the operation of the company; improvement of the quality of the board of directors' decision making; composition and structure of the board of directors; election and continuing education of the directors; and internal control.	Excellent	No suggested areas for improvement were identified, and the evaluation was submitted to the Board of Directors' meeting on March 12, 2025. The evaluation results will be used as a reference for the remuneration and nomination of
		Individual Directors	Self-assessment by individual Board members	Alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship, communication and control; director's professionalism and continuing education; and risk management.	All 9 directors were rated as Excellent	
	Remuneration Committee	Internal Assessment of the Remuneration Committee	Degree of participation in the company's operations; awareness of the duties of the committee; improvement in the quality of decision making by the committee; the composition of the committee and member appointment; and internal control.	Excellent		



Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Content of Evaluation	Result	Remark
Implemented once every year	January 01, 2024 to December 31, 2024	Audit Committee	Internal Assessment of the Audit Committee	Degree of participation in the company's operations; awareness of the duties of the committee; improvement in the quality of decision making by the committee; the composition of the committee and member appointment; and internal control.	Excellent	Individual directors.
		Nomination Committee	Internal Assessment of the Nomination Committee	Degree of participation in the company's operations; awareness of the duties of the committee; improvement in the quality of decision making by the committee; the composition of the committee and member appointment; and internal control.		

IV. Goals to strengthen the functionality of the board of directors and assessment of implementation results in the current year and previous year:

1. Continue to reinforce the structure of the board of directors:
 - (1) To reinforce corporate governance and strengthen the functionality of the board of directors, the Company nominates and elects directors with the goal of achieving board diversity. Among them, two are female directors. All board members possess professional knowledge, skills, and background in industry, finance, technology, business management, and law, equipping them with the necessary competencies to perform their responsibilities. Additionally, the Company has planned for the 25th Board of Director's election in 2025, where each gender should make up at least one-third of all nominated director candidates in order to increase diversity and inclusion.
 - (2) The Company established the Remuneration Committee in September 2011 to assist the board of directors in evaluating the performance of directors and managers and overseeing compensation policies, systems, standards and structures. It also provides suggestions on individual remunerations, with ongoing efforts to strengthen the Committee's independence.
 - (3) Starting from June 2016, the Company's Audit Committee has composed entirely of independent directors, supporting the board in supervising the operation and quality of the Company's accounting, auditing, and financial reporting processes. Additionally, it reviews the risks and reasonableness associated with fund loans, endorsements/guarantees, or the disposal of assets of material nature.
 - (4) The Nomination Committee was set up in November, 2021, with more than half of its members are Independent Directors of the Company, who assist the board of directors to strengthen management mechanisms and improve corporate governance.
2. Maximize the effectiveness of board functions:
 - (1) The Company purchases liability insurance for all directors so that directors are fully committed to performing their board duties to create maximum profit for the company and shareholders.
 - (2) As of December 31, 2024, the Company's three independent directors have not served three terms in a row. To implement supervision, these independent directors attended all



board meetings in 2024, achieving a 100% attendance rate.

- (3) Approval was obtained from the Board of Directors in April 2019 to appoint an accounting officer as corporate governance officer to be in charge of corporate governance, and the full-time corporate governance officer was appointed by the Board on August 12, 2022.
- (4) The Company has established the Standard Operating Procedures for Handling Director Requests to assist director performance and improve board functionality.
- (5) The Company has established the Regulations Governing Evaluation of Board Performance and evaluates board performance at least once a year. Further amendments were approved in 2023, mandating an external independent professional institution or a panel of external expert and scholars conduct an assessment at least once every three years, which can improve governance effectiveness through regular evaluation and recommendations. The Company appointed EY Business Advisory Services Inc.(EY) to conduct the external performance evaluation of the Board of Directors on August 30, 2023 and report to the Board of Directors on December 21, 2023.
- (6) The Company established a "Risk Management Guidance Committee" in December 2023. The Boards is the Company's highest risk management supervision unit, and the Audit Committee is an independent and professional supervisor of the effective control of the risk management mechanism to continuously improve the effectiveness of corporate governance, reasonably ensure the achievement of the company's strategic goals, better manage and control risks in all aspects, and improve the company's operations.
- (7) In the fourth quarter of 2024, the Company established a Sustainable Development Steering Committee composed of senior executives from across different departments. The Committee is supervised by the Board of Directors, and holds regular quarterly meetings and reports to the Board of Directors on its progress and operating status. The Committee's short and medium-term goals are to help the Company adopt the IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures) standards to promote the disclosure of sustainability information. In the future, it will integrate resources for overall strategy implementation, risk management, budget planning, and supervision and execution to establish standardized and more competitive sustainable management mechanisms, demonstrating the Company's commitment to and actions towards sustainable development.



(2) Operational status of the Audit Committee

The Audit Committee of the Company consists of three independent directors. The main function by the Audit Committee is to assist the Board of Directors in monitoring the Company's quality and integrity of accounting, auditing, financial reporting process and financial controls. Six meetings of the Audit Committee were held in 2024. The deliberations by the committee included Paragraph 6 of Audit Committee Charter. The attendance rates of Audit Committee members are as follows:

Title	Name	Professional Qualification, Experience	Attendance in person	Attendance Rate (%)	Notes
Convener	Chen, Huan-Chung	<ol style="list-style-type: none"> 1. Mr. Chen owned a CPA and Securities Analyst License. 2. Independent Non-executive Director of Pou Sheng International (Holdings) Limited. 3. Mr. Chen was Vice President of E.Sun Bills Finance Corporation. He is Partner of Wang Tong & Co., CPAs, who has about 30 years experience of accounting, auditing, management of investment and financial analysis. 	6	100.00	
Member	Hsu, Chu-Sheng	<ol style="list-style-type: none"> 1. Adjunct professor of Leadership Program at National Taiwan University. 2. Independent Director of inergy Technology Inc., Alexander Marine Co., Ltd. and Fubon Bank (China). 3. Mr. Hsu was Adjunct professor of Institute of Technology Management at National Tsing Hua University, General Manager of General Electric International Inc., Taiwan Branch (USA) and President of IBM Taiwan Corporation. He has about 30 years experience of management, leadership of multinational corporation and organization change. 	6	100.00	
Member	Chang, Shih-Chieh	<ol style="list-style-type: none"> 1. Professor of Department of Risk Management and Insurance, National Chengchi University. 2. Independent Director of KGI Financial Holding Co., Ltd., KGI Life Insurance Co., Ltd. and Chairman of Risk Management Society of Taiwan. 3. Mr. Chang was Independent Director of CTBC Financial Holding Co., Ltd., Member of Financial Supervisory Commission, Chairman of Insurance Anti-Fraud Institute and Member, Labor Funds Supervisory Committee, Ministry of Labor. He has about 20 years experience of management of risk, financial services industry and insurance. 	6	100.00	
Other matters to be specified:					
I. Where any of the following circumstances occurs with respect to the operation of the Audit Committee, meeting dates, sessions, contents of resolutions, resolutions adopted by the Audit Committee, and actions taken by the Company in response to the opinion of the Audit Committee shall be noted.					



1. Matters prescribed under Article 14-5 of the Securities and Exchange Act:					
Meeting Dates	Sessions	Contents of resolutions	Do an independent director has a dissenting, qualified opinion or major suggestion	Resolutions adopted by the Audit Committee	Actions taken by the Company in response to the opinion of the Audit Committee
2024.03.14	10th meeting of the 3rd audit committee	<ol style="list-style-type: none"> 1. Discussed the Company's 2023 Business and Financial Reports. 2. Discussed the amendments to the Company's "Internal Control System" and "Internal Audit Systems." 3. Discussed the Company's 2023 "Effectiveness Assessment of Internal Control System". 4. Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries 			
2024.04.15	11th meeting of the 3rd audit committee	<ol style="list-style-type: none"> 1. Discussed the Company's 2023 profit distribution plan. 2. Release the director of the Company from non-competition restrictions. 3. Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries. 			
2024.05.15	12th meeting of the 3rd audit committee	<ol style="list-style-type: none"> 1. Discussed the Company's Financial Reports for the first quarter of 2024. 2. Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries. 	None	Approved all resolutions.	Submitted to the Board of Directors for approval based on Audit Committee's suggestion
2024.08.14	13th meeting of the 3rd audit committee	<ol style="list-style-type: none"> 1. Discussed the Company's Financial Reports for the second quarter of 2024. 2. Discussed the right-of-use assets of real estate from Chuan Mou Investments Co., Limited. 3. Discussed the right-of-use assets of real estate from Pro Arch International Development Enterprise Inc. 4. Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries. 			



Meeting Dates	Sessions	Contents of resolutions	Do an independent director has a dissenting, qualified opinion or major suggestion	Resolutions adopted by the Audit Committee	Actions taken by the Company in response to the opinion of the Audit Committee
2024.11.12	14th meeting of the 3rd audit committee	<ol style="list-style-type: none"> Discussed the Company's Financial Reports for the third quarter of 2024. Discussed the independence assessment and appointment of the Company's CPA and approved the CPA's remuneration. Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries. 	None	Approved all resolutions.	Submitted to the Board of Directors for approval based on Audit Committee's suggestion
2024.12.19	15th meeting of the 3rd audit committee	<ol style="list-style-type: none"> Discussed the operational status of risk management. Discussed the amendments to the Company's "Internal Control System" and "Internal Audit Systems." Discussed the Company's Internal Audit Plan for 2025. Discussed the line of credit for the Company to make endorsement or guarantee for its subsidiaries. 	None	Approved all resolutions.	Submitted to the Board of Directors for approval based on Audit Committee's suggestion

2. Except for the matters in the preceding paragraph, matters not approved by the Audit Committee but approved by at least two thirds of all directors: None.

II. For any recusal of independent directors due to conflict of interests in certain proposals, names of independent directors, contents of resolutions, reasons for the recusal and participation in the voting shall be noted: None.

III. Descriptions of the communications between the independent directors, chief internal auditor, and certified public accountants (CPAs) (including significant matters, methods, and results of communication on the Company's finance and operations, etc.):

- The Company's Audit Committee which is entirely composed of independent directors shall convene a meeting at least once a quarter, and may call a meeting as needed.
- Communication between independent directors and chief internal auditor:
 - The monthly audit report based on the audit plan shall be submitted to each independent director through email or in person by the end of the following month.
 - The quarterly audit report shall be submitted to the Audit Committee periodically.
 - Occasionally conduct communication and provide instruction and response by telephone, email, or in person.
 - Immediately report to the independent directors any material matters.



3. Communication between CPAs and independent directors:

(1) The Company's independent directors fully communicated and discussed the findings and results of financial reports for the current period with CPAs through telephone, video and in person etc.

(2) The Company's independent directors periodically meeting with CPAs every year. A meeting may be convened if communication of significant opinions is deemed necessary.

A diversity of effective communication channels are provided for the Company's independent directors, chief internal auditor, and CPAs. The communications between independent directors, chief internal auditor, and CPAs in 2024 are listed below:

Date	Communication Method	Party Communicated	Matters Communicated	Results
2024.03.14	Forum	CPAs	(1) Advocate and explain the responsibilities of the government unit. (2)The audit report for 2023 financial statements, including: A. The audit scope and method of the Group. B. Significant accounting estimates, and significant events or transactions. C. Significant risks and key audit matters. D. The audit result of annual separate and consolidated financial report. (3) Promoted the Corporate Governance Regulation.	After thorough communication and discussion, independent directors had no further comments on the audit report of the annual financial statements.
		Chief Internal Auditor	(1) Report the amendment of the Company's "Internal Control System". (2) The Company's self-assessment report on the overall internal control system for 2023.	After thorough communication and discussion, independent directors had no further comments on the explanations by the chief internal auditor regarding the amendment of the Company's "Internal Control System" and the annual self-assessment results of the overall internal control system.
		CPAs	The Company's CPAs explanation regarding audit quality indicators, independence, and suitability.	After thorough communication and discussion, the Audit Committee approved the assessment of the CPA's independence and suitability, and submitted it to the Board for resolution.
2024.03.14	Audit Committee Meeting	Chief Internal Auditor	(1) Report the amendment of the Company's "Internal Control System". (2) Explanation of effectiveness of the internal control system for 2023.	After thorough communication and discussion, the Audit Committee approved the amendment of the Company's "Internal Control System" and the assessment of the effectiveness of the internal control system for 2023, which will submitted it to the Board for resolution.



Date	Communication Method	Party Communicated	Matters Communicated	Results
2024.12.17	Virtual Forum	CPAs	(1) Promoted and explained the duties of Governance Unit. (2) The audit plan for 2024 financial statements, including: A. The audit scope and method of the Group. B. Significant events or transactions. C. Significant risks and key audit matters. D. Audit schedule arrangement. (3) Explanation of the sustainability disclosure principles of the International Financial Reporting Standards.	After thorough communication and discussion, independent directors had no further comments on the statutory guidance and explanation of the audit plan for the annual financial statements provided by the CPAs.
2024.12.19	Audit Committee Meeting	Chief Internal Auditor	(1) Report the key points of the amendment of the Company's "Internal Control System". (2) Explanation of the execution status of audit matters for 2024. (1) Report the amendment of the Company's "Internal Control System" (2) The internal audit plan for 2025.	After thorough communication and discussion, independent directors had no further comments on the key points of the amendment of the Company's "Internal Control System" and the annual execution status of audit matters and the next year's audit planning direction provided by the chief internal audit. After thorough communication and discussion, the Audit Committee approved the amendment of the Company's "Internal Control System" and the internal audit plan for 2025, and submitted it to the Board for resolution.



(3) The Company's implementation status of corporate governance and the discrepancy with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:

Evaluation Item	Implementation status		Discrepancy with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons
	Yes	No	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		No Discrepancy. The Company has enacted the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", and disclosed such rules on the Company's website for established good corporate governance.
II. Shareholding Structure and Shareholders' Rights 1. Does the Company have internal operation procedures for handling shareholders' suggestions, concerns, disputes and litigations, and implement based on the procedure?	V		No Discrepancy. 1. To protect the shareholders' rights, the Company has enacted the "Corporate Governance Best Practice Principles" for compliance. The Company has also established the position of spokesperson and the contact for investor relations, responsible for handling shareholder matters. The legal department will assist in handling the shareholders' matters relating to legal issues.
2. Does the Company have knowledge of the identity of its major shareholders as well as the ultimate beneficial owners of those shares?	V		No Discrepancy. 2. The Company files changes of shareholding on the monthly basis of major shareholders (the shareholders holding more than 10% of the Company's total issued and outstanding shares) in compliance with relevant regulations. In addition, the list of its major shareholders as well as the ultimate beneficial owners of those shares is under control by paying attention to other important matters that may cause a change in the shares.
3. Has the Company established and implemented a risk management system and a firewall between itself and its affiliates?	V		No Discrepancy. 3. The Company established "Rules Governing Financial and Business Matters among Related Parties", risk control and management mechanism, also established relevant operating procedures provisions in the internal control system regarding the operational, business and financial dealings



Evaluation Item	Implementation status		Discrepancy with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	
			with specified companies and affiliates. The Company also assists and urges its subsidiaries to build a written internal control system, and enact "Operational Procedures for Making Endorsements and Guarantees", "Operating Procedures for Loaning of Company Funds", "Procedures for Acquisition and Disposal of Assets" and other relevant management regulations according to their practical conditions for implementing the risk control and management mechanism with its subsidiaries. For preventing irregular transactions, business dealings with the affiliates will be deemed to be made with other independent third parties. The risk control and management mechanisms and firewall between the affiliates have been set up properly.
4. Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		No Discrepancy.
III. Composition and Responsibilities of the Board of Directors 1. Has the Board adopted a diversity policy and specific management objectives, and have these been fully	V		No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
implemented?			the board shall take diversity into consideration. An appropriate diversity policy shall be formulated based on the Company's business operations, operational dynamics, and development needs. The policy includes, but is not limited to, aspects such as gender, age, and educational background. For details on the implementation of the Board diversity policy, please refer to page 16.
2. Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		2. The Company has established the Remuneration Committee and the Audit Committee in accordance with legal requirements. In November, 2021 the Company voluntarily established the Nomination Committee. In the future, the Company will establish other functional committees as needed for corporate governance or when deemed necessary.
3. Has the Company established rules and a methodology for evaluating the performance of its Board of Directors, conducted such evaluations on an annual basis, submitted the results to the Board of Directors and used them as a reference for individual director remuneration and re-nomination for re-election?	V		3. The Company has enacted the “Procedures for Evaluating the Board of Directors’ Performance”. The evaluation cycle, scope of evaluation, method and content please refer to page 31~32.
4. Does the Company regularly evaluate its external auditors’ independence?	V		4. The Audit Committee annually evaluates the independence and competence of the Company's auditors. It requires the auditors to provide the Statement of Objectivity and Audit Quality Indicators (AQIs), and implements evaluations based on the independent assessment criteria with 5 main dimensions and 13 items of AQIs: (1) No direct or indirect significant financial stake in the Company. (2) No business relationship with the Company or its directors and officers



Evaluation Item	Implementation status		Discrepancy with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	
IV. Does the Company have an adequate number of qualified corporate governance officers in place, and has it appointed a chief corporate governance officer responsible for corporate governance practices (including but not limited to providing necessary information for directors to perform their duties, assisting directors in complying with laws and	V		No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
regulations, organizing board meetings and shareholders meetings as required by law, processing company registration and changes in registration, and preparing minutes for board meetings and shareholders' meetings)?		of the course please refer to page 49. The duties of corporate governance personnel are as follows: 1. Furnishing information required for business execution by directors and assisting directors with legal compliance. 2. Handling matters relating to shareholders' meetings, board meetings and meetings of associated committees according to laws. 3. Assisting with the promotion and strengthening of corporate governance.	
V. Has the Company established a communication channel and created a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and does it properly respond to stakeholders' concerns regarding corporate social responsibilities?	V	The Company has set up a stakeholder section on its website and publicly disclosed the contact email address (ir@pouchen.com). Designated personnel will be responsible for responding to stakeholders' concerns and, depending on the scope and nature of the issues, will forward them to the appropriate authorities. The Company has also publicly disclosed contact information for each stakeholder group (investors, customers, employees, suppliers and CSR-related matters) to ensure proper responses to stakeholders' concerns regarding material CSR issues.	No Discrepancy.
VI. Has the Company appointed a professional stock agency to handle matters related to its shareholders' meetings?	V	The Company has designated Yuanta Securities Co., Ltd. to act as its stock agency to handle shareholders' meetings and provide investors with communication channels to address shareholder affairs.	No Discrepancy.
VII. Information Disclosure 1. Has the Company established a corporate website to disclose its financial and business information, as well as its corporate governance status?	V	1. The Company has established its website (https://www.pouchen.com) to disclose its financial, business and corporate governance information. Designated personnel are responsible for updating the content, and relevant information is also available on the MOPS website.	No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
2. Does the Company have other information disclosure channels (e.g. building an English version website, appointing designated personnel responsible for information collection and disclosure, appointing spokespersons, or webcasting investor conferences)?	V	<p>2. (1) In order to enhance information transparency and strengthen communication and engagement channels with stakeholders, the Company has set up both Chinese and English versions of its website and assigned dedicated personnel to collect company information and disclose major matters.</p> <p>(2) The Company has appointed one spokesperson and two acting spokespersons to reinforce external communication channels.</p> <p>(3) The Company participated in four investor conferences in 2024 to present its operational overview and quarterly results. All relevant information was disclosed on the Company’s website.</p>	No Discrepancy.
3. Does the Company publicly disclose its annual financial report within two months after the end of the fiscal year, and publicly disclose its financial reports for the first, second, and third quarters, as well as its monthly operational status ahead of the prescribed time limits?		V	<p>In accordance with the announcement timeline stipulated in Article 36 of the Securities and Exchange Act and the time required for audits conducted by subsidiaries' certified public accountants, it is currently not yet available to announce and file the Company's annual financial report by the end of February.</p>



Evaluation Item	Implementation status	Discrepancy with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons
<p>VIII. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (e.g., including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights and directors’ training, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing liability insurance for directors):</p> <p>Yes, other important information to facilitate a better understanding of the company’s implementation of ethical corporate management:</p> <ol style="list-style-type: none"> 1. Employee rights: The Company complies with the Labor Standard Act and the company’s human resource rules and regulations to ensure the protection of employees’ welfare and retirement systems. 2. Employee care: The Company builds a relationship of mutual trust with employees by adopting an effective welfare system and useful education and training programs. For example, the Employee Welfare Committee offers employee benefits (e.g., birthdays, wedding, funeral, child birth, injuries/illness, and emergency aid), educational activities (e.g., health promotion activities, talks, and short-term courses), and recreational activities and entertainment (e.g., travel subsidy, family day, social club activities, and recreation activities). The Company also provides shuttle buses for employees to commute and rent parking lots for employees to park their vehicles. The Company also cooperates with reputable medical institutions in Central Taiwan to provide emergency aid inside the plant, trauma treatment, medical counseling, health examination, and health-related lectures. Occasionally, The Company cares about the employees’ health; doctors are hired to provide proper medical care to the company’s employees. 3. Investor relations: The Company has set up the position of spokesperson and contact person for investor relations, serving as a two-way communication channel between the Company and its investors to enhance the transparency and symmetry of information disclosure. In addition to disclosing the Company’s financial, business and corporate governance information on the Market Observation Post System (MOPS) website and the Company’s website, we also attend investor conferences and have set up an investor relations mailbox to maintain good interaction and communication with investors. 4. Supplier relations: The Company’s employees comply with code of ethical conduct. In addition to applying internal discipline in the workplace, the Company also asks its suppliers to sign a Supplier Integrity Agreement or provide an integrity declaration or system document, to focus on the stability and quality of the source of their supply, to conduct prudent evaluation before procurement, and to handle related matters by following the Company’s operating regulations. Both parties will fulfill their duties and responsibilities as per agreement and work together to improve product quality. The Company is able to maintain a good stable relationship with its suppliers. 5. Stakeholders’ rights: The Company endeavors to build diverse communication channels, provide sufficient information to its customers, shareholders, and stakeholders, collect issues that are of concern to stakeholders, and examine whether stakeholders are notified of activities organized by the company. 6. Continuing education, training for Directors and officers: 		



Evaluation Item	Implementation status				Discrepancy with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons	
	Name	Date of training From	To	Host by		
The advanced training by the Directors and officers in the most recent fiscal year is as follows:						
Title	Name	From	To	Host by	Name of the course	Duration
Representative of juristic-person director (Chairman and President of Administration Management Department)	Chan, Lu-Min	2024.02.23	2024.02.23	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities regulations	3
		2024.04.12	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainability Workshop	3
		2024.08.14	2024.08.14	Taiwan Corporate Governance Association	How do the board of directors monitors ESG risks and prevents workplace reputation disputes	3
Director	Tsai, Pei-Chun	2024.04.12	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainability Workshop	3
		2024.08.14	2024.08.14	Taiwan Corporate Governance Association	How do the board of directors monitors ESG risks and prevents workplace reputation disputes	3
Representative of juristic-person director	Tsai, Min-Chieh	2024.04.10	2024.04.10	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainability Workshop	3
		2024.08.14	2024.08.14	Taiwan Corporate Governance Association	How do the board of directors monitors ESG risks and prevents workplace reputation disputes	3
Representative of juristic-person director (President)	Lu, Chin-Chu	2024.04.12	2024.04.12	Taiwan Academy of Banking and Finance	Corporate Governance and Sustainability Workshop	3
		2024.08.14	2024.08.14	Taiwan Corporate Governance Association	How do the board of directors monitors ESG risks and prevents workplace reputation disputes	3



Evaluation Item	Implementation status			Discrepancy with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons		
	Name	Date of training From	To	Host by	Name of the course	Duration
Representative of juristic-person director	Wu, Pan-Tsu	2024.04.26	2024.04.26	Corporate Operating and Sustainable Development Association	The Competitive Edge: Challenges and Business Perspectives for Taiwanese Enterprises	3
		2024.08.14	2024.08.14	Taiwan Corporate Governance Association	How do the board of directors monitors ESG risks and prevents workplace reputation disputes	3
Representative of juristic-person director (Vice President)	Ho, Yue-Ming	2024.10.07	2024.10.07	National Association of Industry and Commerce	2024 Taishin Net Zero Power Summit	3
		2024.04.18	2024.04.18	Taiwan Institute for Sustainable Energy	The development of the sustainable development concept	1
		2024.05.09	2024.05.09	Taiwan Corporate Governance Association	Financial consumer protection, fair treatment and financial friendliness, taking the issue of financial discrimination against people with disabilities as an example	1
		2024.05.30	2024.05.30	Taiwan Institute for Sustainable Energy	Sustainable Finance-GRI, TCFD, TNFD, IFRS S1S2 and Sustainable Insurance	1
		2024.07.26	2024.07.26	Taiwan Corporate Governance Association	Management Issues and Practical Case Studies of IFRS 17 (1)	1.5
		2024.08.08	2024.08.08	Taiwan Corporate Governance Association	Management Issues and Practical Case Studies of IFRS 17 (2)	1.5
		2024.09.18	2024.09.18	Taiwan Corporate Governance Association	Gender equality obligations of enterprises under the ESG framework	1



Evaluation Item	Implementation status				Discrepancy with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons	
	Name	Date of training		Host by		
Title		From	To		Name of the course	
Representative of juristic-person director (Vice President)	Ho, Yue-Ming	2024.12.12	2024.12.12	Taiwan Insurance Institute	Anti-money laundering and countering terrorism financing of the securities and futures sector workshop- Anti-money laundering and countering terrorism financing of the securities and domestic and international development trends of anti-weapon expansion and honest management	1
Independent Director	Chen, Huan-Chung	2024.08.14	2024.08.14	Taiwan Corporate Governance Association	How do the board of directors monitors ESG risks and prevents workplace reputation disputes	3
		2024.08.23	2024.08.23	CPA Associations R.O.C.	Discussion on the establishment of internal control system for sustainable information management	3
		2024.09.05	2024.09.05	CPA Associations R.O.C.	How to establish an effective anti-money laundering and countering terrorism financing of the securities	3
Independent Director	Hsu, Chu-Sheng	2024.06.25	2024.06.25	Taiwan Corporate Governance Association	Post-epidemic era - How should the Taiwan company plan to cope with the challenges and opportunities of upgrading and transformation	3
		2024.07.23	2024.07.23	Taiwan Corporate Governance Association	The Risk Trends of Smart Technologies in the Cloud Generation	3



Evaluation Item	Implementation status				Discrepancy with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons	
	Title	Name	Date of training			Host by
From			To			
Independent Director	Chang, Shih-Chieh	2024.05.08	2024.05.08	The Greater China Financial Development Association	Outlook for the global economic situation in the latter half of the year	3
		2024.06.12	2024.06.12	The Greater China Financial Development Association	Risks and considerations of generative AI for enterprises	3
		2024.08.14	2024.08.14	Taiwan Corporate Governance Association	How do the board of directors monitors ESG risks and prevents workplace reputation disputes	3
Accounting Officer	Wu, Hui-Chi	2024.01.15	2024.01.16	Accounting Research and Development Foundation	Continuing Education for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges.	12
Corporate governance officer	Huang, Chao-Fen	2024.02.23	2024.02.23	Taiwan Corporate Governance Association	Corporate Governance and Securities regulations	3
		2024.08.14	2024.08.14	Taiwan Corporate Governance Association	How do the board of directors monitors ESG risks and prevents workplace reputation disputes	3
		2024.09.12	2024.09.12	Taiwan Corporate Governance Association	Introduction of Global and Taiwan Tax Reform and How to Improve Corporate Tax Governance Under ESG Trends and Post Covid Environment	3
		2024.09.26	2024.09.26	Securities & Futures Institute	Promoting Sustainable Development through Risk Management	3



Evaluation Item	Implementation status	Discrepancy with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	<p>7. Implementation of risk management policies and risk assessment standards: The implementation of risk management policies and risk assessment standards please refer to pages 142-147.</p> <p>8. Customer relations policies and implementation status: The Company transacts with its customers by upholding the core values of "Professionalism, Dedication, Innovation, and Service." The Company understands customers' needs and provides affordable products and services that are of excellent quality. The Company has won customers' affirmation and hence maintained a strong relationship with its customers.</p> <p>9. Liability insurance provided for directors: The Company has purchased liability insurance for all directors.</p> <p>10. Recusals of directors due to conflicts of interests: The Company has mandated in "Rules and Procedures of Board of Directors' Meetings" that all directors shall comply with the principles of recusal from the discussion and resolution of proposals in which directors have conflicts of interest. In addition, the Company has elected three independent directors which achieved one-third of Board of Directors, who can propose professional, neutral advices on the company's business strategies. When discussing any proposal, the Board shall take into consideration the opinions of independent directors to effectively protect the interest of the Company. The Company has established the "Guidelines to the Management of Related Party Transactions" in the Internal Control System, to ensure that related parties of the Company can avoid conflicts of interest.</p>	
	<p>IX. Please described improvements in terms of the results of the Corporate Governance Evaluation System in recent years and propose areas and measures to be given priority where improvement will be needed:</p> <p>According to the result of the 10th Corporate Governance Evaluation announced by Taiwan Stock Exchange in April 2024, the Company was ranked within 6% to 20% of the listed companies.</p> <p>The Company implemented the strengthening plan according to the result of the Corporate Governance Evaluation:</p> <ol style="list-style-type: none"> 1. The 2024 and 2025 Annual General Meeting of Shareholders is scheduled to be held at the end of May, which enhanced the Company's information transparency and protect shareholders' rights and interest. 2. There are currently 2 directors of different genders on the Board of Directors. For the election of the 25th Board of Directors in 2025, during the candidate nomination, the Company actively follows a policy where each gender should make up at least one-third of all director positions. This is to improve the diversity of the Board of Directors, and the Company will also continue promoting corporate governance best practices, enhance the company's competitiveness and shareholder value. 	



(4) Composition, duties and operational status of the Remuneration Committee

A. Information of the members of the Remuneration Committee

Title	Name	Requirements	Professional Qualification and Experience	Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member	Note
Independent Director Convener	Hsu, Chu-Sheng	<ol style="list-style-type: none"> Adjunct professor of Leadership Program at National Taiwan University. Independent Director of Inergy Technology Inc., Alexander Marine Co., Ltd. and Fubon Bank (China). Mr. Hsu was Adjunct professor of Institute of Technology Management at National Tsing Hua University, General Manager of General Electric International Inc., Taiwan Branch (USA) and President of IBM Taiwan Corporation. He has about 30 years experience of management, leadership of multinational corporation and organization change. 	<p>During the two years prior to their appointment and their service terms, the members of the Company's Remuneration Committee were not involved in any violations of the independence principle as required in Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, nor were they involved in any of the circumstances specified in Article 30 of the Company Act.</p>	2		
Independent Director Member	Chen, Huan-Chung	<ol style="list-style-type: none"> Mr. Chen owned a CPA and Securities Analyst License. Independent Non-executive Director of Pou Sheng International (Holdings) Limited. Mr. Chen was Vice President of E.Sun Bills Finance Corporation. He is Partner of Wang Tong & Co., CPAs, who has about 30 years experience of accounting, auditing, management of investment and financial analysis. 			0	
Independent Director Member	Chang, Shih-Chieh	<ol style="list-style-type: none"> Professor of Department of Risk Management and Insurance, National Chengchi University. Independent Director of KGI Financial Holding Co., Ltd., KGI Life Insurance Co., Ltd. and Chairman of Risk Management Society of Taiwan. Mr. Chang was Independent Director of CTBC Financial Holding Co., Ltd., Member of Financial Supervisory Commission, Chairman of Insurance Anti-Fraud Institute and Member, Labor Funds Supervisory Committee, Ministry of Labor. He has about 20 years experience of management of risk, financial services industry and insurance. 			2	



B. Operations of the Remuneration Committee

(A) There are three members in the Company's Remuneration Committee.

(B) The Board of Company has approved three members to comprise the 5th Remuneration Committee after the election of the 24th Board of Directors on June 15, 2022. The term of the Committee is from June 15, 2022 to June 14, 2025. Five meetings of the Remuneration Committee were held in 2024. The attendance status is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance Rate (%)	Notes
Convener	Hsu, Chu-Sheng	5	0	100.00	
Member	Chen, Huan-Chung	5	0	100.00	
Member	Chang, Shih-Chieh	5	0	100.00	

I. The Company's Remuneration Committee periodically reviews the performance assessment standards, the policies, systems, standards, and structures for the compensation of the Board of Directors and officers. In 2024, the Company's Remuneration Committee conducted such performance evaluation on August 14.

II. Discussion and resolutions adopted by the Remuneration Committee in 2024:

Meeting Dates	Sessions	Contents of resolutions	Resolutions adopted by the Remuneration Committee	Actions taken by the Company in response to the opinion of the Remuneration Committee
2024.01.30	7th meeting of the 5th Remuneration Committee	1. Reviewed the 2023 annual bonus for the Company's officers.		
2024.03.14	8th meeting of the 5th Remuneration Committee	1. Reviewed the amount of the Company's 2023 distribution for directors' remuneration and employees' compensation.		
2024.04.15	9th meeting of the 5th Remuneration Committee	1. Discussed the remuneration for the Company's new officers.		
2024.08.14	10th meeting of the 5th Remuneration Committee	1. Discussed the Company's regulations governing remunerations of directors and officers. 2. Discussed matters pertaining to the amount of the Company's 2023 distribution for directors' remuneration. 3. Discussed matters pertaining to rewards for officers of the Company. 4. Discussed the 2023 employees' compensation for the Company's officers. 5. Discussed the remuneration for the Company's new officers.	Approved all resolutions	Submitted to the Board of Directors for approval based on Remuneration Committee's suggestion
2024.11.12	11th meeting of the 5th Remuneration Committee	1. Reviewed the 2024 salary adjustments proposal for the Company's officers.		



III. Other matters to be specified:

1. If the Board of Directors rejects or amends the suggestions submitted by the Remuneration committee, there shall be elaborated with the meeting dates, sessions, contents of resolutions, resolution adopted by the Board of Directors and actions taken by the Company in response to the Remuneration Committee's opinions (if the Board of Directors approved a remuneration plan better than that suggested by the Remuneration Committee, the reasons and the difference shall be elaborated): N/A.
2. If any member has expressed opposition or reservation with respect to the resolution of the Remuneration Committee and there was a written record or written statement, there shall be elaborated with the meeting dates, sessions, contents of resolutions, the opinions of all members of the Remuneration Committee and actions taken in response to the member's opinions: N/A

(5) Composition, duties and operational status of the Nomination Committee

A. Clarify the qualification and duties of the Nomination Committee: The Board appointed three directors, including independent directors, to form the 2nd Nomination Committee on August 12, 2022. The term of the Committee is from August 12, 2022 to June 14, 2025. The convener, Chairman Chan, Lu-Min, possesses expertise in financial accounting, business management, and corporate governance. Committee members, independent directors Chen, Huan-Chung and Hsu, Chu-Sheng, also possess specialized knowledge in "accounting, auditing, management of investment and financial analysis" and "management, leadership of multinational corporation and organization change," respectively. All members have years of experience serving as directors of TWSE/TPEx listed companies, and satisfy the professional requirements of the Committee. Operating under the "Nomination Committee Charter", the Committee faithfully performs the following duties and responsibilities, submitting recommendations to the Board of Directors for discussion.

- (A) To establish the qualifications required for the members of the Board, and to identify, evaluate and nominate candidates for directors accordingly.
- (B) To establish and develop the organizational structure of the Board and each committee, and to conduct performance evaluations, and assess the independence of independent directors.
- (C) To establish and periodically review the director development plan and director succession plan.



B. Operations of the Nomination Committee

(A) Two meetings of the Nomination Committee were held in 2024. The professional qualification and attendance status is as follows:

Title	Requirements		Attendance in person	Attendance by proxy	Attendance Rate (%)	Note
	Name	Professional Qualification and Experience				
Convener	Chan, Lu-Min	<ol style="list-style-type: none"> Mr. Chan has about 40 years of finance and accounting management experience. Chairman of the Board of Directors, President of the Administration Management Department of the Company and Executive Director of Yue Yuen Industrial (Holdings) Limited. Mr. Chan was Director of Nan Shan Life Insurance Co., Limited. 	2	0	100.00	
Member	Chen, Huan-Chung	<ol style="list-style-type: none"> Mr. Chen owned a CPA and Securities Analyst License. Independent Non-executive Director of Pou Sheng International (Holdings) Limited. Mr. Chen was Vice President of E.Sun Bills Finance Corporation. He is Partner of Wang Tong & Co., CPAs, who has about 30 years experience of accounting, auditing, management of investment and financial analysis. 	2	0	100.00	
Member	Hsu, Chu-Sheng	<ol style="list-style-type: none"> Adjunct professor of Leadership Program at National Taiwan University. Independent Director of inergy Technology Inc., Alexander Marine Co., Ltd. and Fubon Bank (China). Mr. Hsu was Adjunct professor of Institute of Technology Management at National Tsing Hua University, General Manager of General Electric International Inc., Taiwan Branch (USA) and President of IBM Taiwan Corporation. He has about 30 years experience of management, leadership of multinational corporation and organization change. 	2	0	100.00	



(B) Discussion and resolutions adopted by the Nomination Committee in 2024:

Meeting Dates	Sessions	Contents of resolutions	Resolutions adopted by the Nomination Committee	Actions taken by the Company in response to the opinion of the Nomination Committee
2024.05.15	3rd meeting of the 2nd Nomination Committee	1. Discussed the Company's "Director development plan" for 2024.	Approved all resolutions.	Submitted to the Board of Directors for approval based on Nomination Committee's suggestion
2024.12.19	4th meeting of the 2nd Nomination Committee	1. Discussed the Company's selection criteria of Directors.		
<p>I. If the Board of Directors rejects or amends the suggestions submitted by the Nomination committee, there shall be elaborated with the meeting dates, sessions, contents of resolutions, resolution adopted by the Board of Directors and actions taken by the Company in response to the Nomination Committee's opinions (if the Board of Directors approved a remuneration plan better than that suggested by the Nomination Committee, the reasons and the difference shall be elaborated): N/A.</p> <p>II. If any member has expressed opposition or reservation with respect to the resolution of the Nomination Committee and there was a written record or written statement, there shall be elaborated with the meeting dates, sessions, contents of resolutions, the opinions of all members of the Nomination Committee and actions taken in response to the member's opinions: N/A</p>				



(6) The Company's implementation status of sustainable development and the discrepancy with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:

Evaluation Item	Implementation status		Discrepancy with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons
	Yes	No	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V	<p>The Company established its CSR Team in 1997, renamed it the Sustainable Development Team in 2010, and formally reorganized it as the Sustainable Development Department in 2020. The Department is responsible for managing employee relations and compliance, environmental sustainability, and occupational safety and health. It formulates sustainability-related policies and management regulations to ensure regulatory compliance, and plans and promotes various sustainable initiatives. In addition, it supports the Company's sustainability efforts through training, counseling, audits, and related activities.</p> <p>The Sustainable Development Department reports to executive management every six months on the planning, progress, and effectiveness of sustainability initiatives. It also reports climate change and greenhouse gas management issues to the Board of Directors on a quarterly basis, and submits the results of sustainability efforts and future work plans to the Board at least once a year. The 2023 Sustainability report was reviewed and discussed on August 14, 2024.</p> <p>In December 2024, the Head of Sustainable Development presented the annual management policies, strategies and goals to the Board. The report primarily covered: (1) key stakeholder concerns and response strategies; (2) environmental issues, including climate change risks management (climate-related risks and opportunities, strategy, and planning for Scope 3 greenhouse gas inventory), greenhouse gas inventory and verification schedule (the Company has completed verification, and consolidated subsidiaries have completed inventories); (3) social issues, such as international developments and external responses (human rights due diligence), employee communication and union relations (status of collective bargaining agreement and unions engagement), and gender equality (customer projects, legal requirements, international trends, and group-level policies and regulations).</p>	No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
		<p>The Board reviewed the year’s progress, assessed the alignment of future plans with the Company’s strategies and policies, and evaluated the reasonableness of the proposed targets. When necessary, the Board provided feedback and urged the management team to make timely adjustments.</p>	
<p>II. Does the Company conduct risk assessment of environmental, social, and corporate governance issues related to the Company’s operations in accordance with the materiality principle, and formulate relevant risk management policy or strategy?</p>	V	<p>The Company formulated its risk management procedures in 2015, which were further revised into "Risk Management Policies and Procedures" in 2023 to enhance and clarify the organizational structure and responsibilities, risk management procedures, risk reporting and disclosure practices related to risk management. The revision also reflects a continued focus on developments in risk management practices among domestic and international enterprises. The Company regularly reviews and refines its risk management mechanisms to strengthen corporate governance and reasonably ensure the achievement of strategic objectives. Risk assessments primarily focus on the manufacturing of shoes business operated by the Company and its subsidiaries.</p> <p>The Company identifies key environmental, social and governance risks based on the principle of materiality and communication with internal and external stakeholders, and subsequently develops appropriate risk management strategies and response measures.</p> <p>The corresponding risk identification results and control measures for 2024 will publicly disclosed in the 2024 sustainability report and published on the Company’s website.</p>	No Discrepancy.
<p>III. Environmental Issues</p> <p>1. Has the Company set an environmental management system designed to industry characteristics?</p>	V	<p>1. The Company has established environmental management guidelines based on ISO 14001 environmental management system and internal management standards for all factories to follow. It also encourages factories to undergo third-party assessments and verifications in accordance with ISO 14001:2015, Higg FEM, and other relevant standards, in order to promote a systematic management framework and strengthen the implementation of environmental protection practices.</p>	No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons
	Yes	No	
2. Does the Company endeavor to utilize energy more efficiently and to use renewable materials with low environmental impact?	V	<p>2. (1) Given the increasing impact of global climate change on business operations and in response to the international trend toward net-zero emissions that is driving corporate energy transformation, the Company is actively implementing various measures to reduce energy consumption and improve energy efficiency, with specific actions as follows:</p> <p>A Expanding the use of green energy: rooftop solar power generation, green power procurement, Renewable Energy Certificate (REC), and others forms of renewable energy.</p> <p>B Enhancing energy efficiency: sourcing energy-efficient equipment, accelerating the replacement of low-efficiency machinery, implementing energy monitoring system, and establishing energy control mechanisms.</p> <p>C Promoting themed energy-saving projects led by headquarter, business divisions or factory units.</p> <p>D Developing an intelligent energy-saving knowledge management (KM) platform to support the sharing of energy-saving and carbon-reduction technologies, and to foster an energy-efficient organizational culture.</p> <p>The Company also encourages its factories to adopt ISO 50001 energy management system. The system enables systematic energy management, improves energy efficiency, and reduces both operational costs and carbon emissions. In 2024, 8 factories have obtained third-party certification under the ISO 50001 standard.</p> <p>(2) In the use of raw materials, the Company strictly complies with international product regulations, brand customers' materials specifications, the Manufacturing Restricted Substance List (MRSL), and the Zero Discharge of Hazardous Chemicals, (ZDHC) framework. In addition, the Company uses materials that meet brand customers' requirements for environmental sustainability. The Company mitigates its environmental</p>	No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons																				
	Yes	No																					
		<p>impact through using eco-friendly footwear materials, optimizing production process, reducing waste, and recycling and reusing waste.</p>																					
3. Has the Company assessed the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V	<p>3. In line with the climate actions specified in the 17 sustainable development goals of the United Nations, the Company takes actions to ensure a sustainable production model in response to the operational risks and impacts caused by climate anomalies. In accordance with the Group’s “Adaptation Strategy to Climate Change” and with reference to the four core pillars of Task Force on Climate-Related Financial Disclosures (TCFD) since 2022, we disclose relevant information on climate change and the risks and opportunities it brings, and formulate relevant adjustment and mitigation strategies.</p>	No Discrepancy																				
4. Did the Company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management?	V	<p>4. (1) Greenhouse Gas (GHG) Emissions:</p> <p>A. Since 2016, the Company has conducted GHG emissions inventories for its manufacturing of shoes business in accordance with the ISO 14064-1:2006 standard. In 2022, the Company began transitioning to the ISO 14064-1:2018 standard and complies with the regulations and timelines set by each country. The Company engages third-party verification entities that meet local regulatory requirements and obtains the corresponding statements of inspection.</p> <p>B. Greenhouse Gas Emissions in the past two years (Location-based):</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th rowspan="2">Year</th> <th rowspan="2">Category 1 (Scope 1)</th> <th rowspan="2">Category 2 (Scope 2)</th> <th rowspan="2">Total</th> <th colspan="2">Carbon Emission per Unit of Product kgCO₂^e/pair</th> </tr> <tr> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>71,034.65</td> <td>617,756.90</td> <td>688,791.55</td> <td>2.55~4.03</td> <td></td> </tr> <tr> <td>2023</td> <td>44,780.52</td> <td>585,435.03</td> <td>630,215.55</td> <td>1.11~4.06</td> <td></td> </tr> </tbody> </table> <p>Note: Category 1 and Category 2 GHG emissions are included in the calculation of carbon emissions per unit of product, while other indirect GHG emissions are excluded.</p>	Year	Category 1 (Scope 1)	Category 2 (Scope 2)	Total	Carbon Emission per Unit of Product kgCO ₂ ^e /pair		2024	2023	2024	71,034.65	617,756.90	688,791.55	2.55~4.03		2023	44,780.52	585,435.03	630,215.55	1.11~4.06		No Discrepancy.
Year	Category 1 (Scope 1)	Category 2 (Scope 2)					Total	Carbon Emission per Unit of Product kgCO ₂ ^e /pair															
			2024	2023																			
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2023	44,780.52	585,435.03	630,215.55	1.11~4.06																			



Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons												
	Yes	No													
			<p>E. Achievement</p> <ul style="list-style-type: none"> In terms of expanding green energy usage, Rooftop Solar System (RTS) had been installed at 6 factories by 2024, generating a total of 7,617.58 MWh of solar energy annually, equivalent to a reduction of 4,787.61 tCO₂^e in GHG emissions. In the meantime, the Company purchased Renewable Energy Certificates (RECs) totaling 247,610 MWh, offsetting 135,371.25 tCO₂^e of GHG emissions. The Company implements energy management mainly through the procurement of energy-efficient equipment, air compressor system leakage control, and energy conservation projects. In 2024, these results resulted in energy savings of 11,910 MWh, equivalent to a reduction of 8,627 tCO₂^e in GHG emissions. <p>F. Greenhouse Gas Emissions in the past two years (Market-based):</p> <p style="text-align: right;">Unit: tons of CO₂^e</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Category 1 (Scope 1)</th> <th>Category 2 (Scope 2)</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>71,034.65</td> <td>483,385.18</td> <td>554,419.83</td> </tr> <tr> <td>2023</td> <td>44,780.52</td> <td>457,807.87</td> <td>502,588.39</td> </tr> </tbody> </table> <p>(2) Water resource management:</p> <p>A. The primary source of water for the Company's footwear production bases is the local municipal water supply, with a small portion sourced from rivers and lakes. As needed, factories install clean water treatment facilities and reverse osmosis systems.</p>	Year	Category 1 (Scope 1)	Category 2 (Scope 2)	Total	2024	71,034.65	483,385.18	554,419.83	2023	44,780.52	457,807.87	502,588.39
Year	Category 1 (Scope 1)	Category 2 (Scope 2)	Total												
2024	71,034.65	483,385.18	554,419.83												
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Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons											
	Yes	No												
		<p>Summaries</p> <p>B. Water consumption in the past two years:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Year</th> <th>Water consumption</th> <th>Unit product intensity (Liters/pair)</th> <th>Water recycle rate</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>8,266.9</td> <td>22.8</td> <td>53.6%</td> </tr> <tr> <td>2023</td> <td>8,592.5</td> <td>27.3</td> <td>41.1%</td> </tr> </tbody> </table> <p>Unit: million liters</p> <p>Note1: The water measurement method in mainland China changed in 2024; therefore, the 2023 data have also been recalculated accordingly.</p> <p>Note2: Unit product intensity is estimated based on data from operations in mainland China, Vietnam and Indonesia.</p> <p>The total water consumption at the footwear production sites was approximately 8,266.9 million liters in 2024 and 8,592.5 million liters in 2023. Both the sourcing and consumption of water remained within the limits approved by local governments and has no significant impact on local water resources.</p> <p>C. The Company complies with local laws and regulations and actively seeks opportunities to recycle and reuse treated water. Through regular inspections of pipes for leakages and the promotion of water-saving measures, the Company has effectively increased the amount of waste water recycled. In 2024, the Company achieved an average recovery rate of 53.6% for its effluent discharge, making a substantial improvement compared with 2023.</p> <p>The 2024 water resource data is verified by the third-party verification agency, SGS Taiwan Ltd., using the AA 1000ASv3 Type 2 High Level assurance level to confirm that the data complies with the GRI 303 "Water and Effluents" disclosure guidelines.</p>	Year	Water consumption	Unit product intensity (Liters/pair)	Water recycle rate	2024	8,266.9	22.8	53.6%	2023	8,592.5	27.3	41.1%
Year	Water consumption	Unit product intensity (Liters/pair)	Water recycle rate											
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Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons																					
	Yes	No																						
		<p>(3) Waste management:</p> <p>A. Total weight of waste in the past two years:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th colspan="3">Unit: metric tons</th> </tr> <tr> <th>Year</th> <th>Hazardous waste</th> <th>Non-hazardous waste</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>8,411.2</td> <td>76,441.1</td> </tr> <tr> <td>2023</td> <td>5,347.0</td> <td>57,088.3</td> </tr> <tr> <td colspan="2"></td> <td>Total</td> </tr> <tr> <td colspan="2"></td> <td>84,852.3</td> </tr> <tr> <td colspan="2"></td> <td>62,435.3</td> </tr> </tbody> </table> <p>The Company's footwear production sites disposed of approximately 84,852.3 metric tons of waste in 2024 and 62,435.3 metric tons in 2023. Furthermore, the intensity of hazardous and non-hazardous waste were approximately 0.03kg/pair and 0.35kg/pair in 2024, compared to 0.03kg/pair and 0.32kg/pair in 2023. The Company's waste removal and disposal practices comply with relevant local laws and regulations. The 2024 and 2023 waste management data have been verified by the third-party verification agency, SGS Taiwan Ltd., using the AA 1000ASv3 Type 2 High-Level assurance to confirm that the data complies with the GRI 306 "Waste" disclosure guidelines.</p> <p>B. In waste management, our primary focus is on legal removal and treatment to minimize adverse environmental impact. For industrial wastes, we have set a target of zero landfill and reduced incineration through the implementation of relevant action plans. Our long-term objective is to reuse and recycle manufacturing waste, promoting a circular economy and ultimately striving toward an environmentally sustainable vision of zero waste.</p> <p>C. The Company continues to be committed to developing and implementing reuse technologies for direct process waste, covering nine types of materials: waste EVA, waste TPU, waste rubber, waste foam, waste scrap materials, waste paper, waste shoes,</p>	Unit: metric tons			Year	Hazardous waste	Non-hazardous waste	2024	8,411.2	76,441.1	2023	5,347.0	57,088.3			Total			84,852.3			62,435.3	
Unit: metric tons																								
Year	Hazardous waste	Non-hazardous waste																						
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Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
<p>IV. Social Issues</p> <p>1. Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations, and internationally human rights conventions?</p>	V	<p>waste shoe uppers, and industrial waste. In 2024, the Company achieved a recycling rate of 36.2% for direct process waste, representing an increase of 3.8 percentage points from 32.4% in 2023 and 3 percentage points higher than the set target.</p> <p>I. In accordance with the Universal Declaration of Human Rights, the ILO Declaration of Fundamental Principles and Rights at work, the FLA Workplace Code of Conduct, and local labor laws and regulations, he Company has established the Group’s Code of Conduct (COC), which dedicated to creating an environment that safeguards human rights and upholds the legitimate rights and interests of employees.</p> <p>(1) The Company complies with local regulations on wages and working hours. The Company does not, by any means, employ labor that is forced, imprisoned, or bound by illegal contracts, and forbids any discriminatory measures as well as conducts in relation to the acceptance of bribes from intermediaries. The Company also respects employees’ freedom of association and right to collective bargaining, and recognizes legal union organizations initiated by employees. In line with the spirit of human rights advocated by international organizations and to effectively ending forced labor, we have signed the Commitment to Responsible Recruitment jointly established by the Fair Labor Association and the American Apparel & Footwear Association (AAFA). This commitment is aimed at daily promotion and advocacy of human rights, which sets out that:</p> <p>A. No workers pay for their job;</p> <p>B. Workers control of their travel documents and have full freedom of movement; and</p> <p>C. All workers are informed of the basic terms of their employment before leaving home.</p> <p>(2) The Company prioritizes the welfare of its employees and emphasizes human-centered management practices, including incentives and encouragement of positive behaviors.</p>	No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
2. Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits) and are business performance or results appropriately reflected in employee salary/compensation?	V	(5) The Company identifies deficiencies in daily factory operations via routine inspection mechanisms coupled with annual audits. We track the progress of improvements to reduce or eliminate the probability of major accidents, and to ensure that all factory operations conform to the Group’s code of conduct, local laws and regulations, customer standards, and international regulations. 2. The Company formulates reasonable salary and remuneration policies for each rank, allocates budgets in accordance with company standards, links employee performance appraisals, provides incentive rewards such as performance bonuses, employee remuneration, year-end bonuses, and ensures that salary planning is consistent with the organization’s strategic objectives.	No Discrepancy.
3. Does the Company provide a safe and healthy working environment, and conduct periodic safety and health education for its employees?	V	3. In compliance with the requirements of governments, customers, NGOs and other stakeholders, the Company operates effectively and keeps improving all safety and hygiene management measures. We promote a culture of safety within the Company and allocate resources to enhance equipment safety and the working environment, ensuring employees’ safety and health. (1) The Company is committed to providing a safe and friendly workplace environment for employees. Since 2022, we have been gradually promoting and implementing safety culture activities through basic engineering, environmental safety and health (ESH) partners, and a top-down system, encouraging comprehensive employee participation in identifying hazards and devising improvement measures. Such effort will enhance the safety awareness of all employees in identifying hazards, and establish proactive safety	No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
		<p>Summaries</p> <p>habits.</p> <p>(2) In addition to regular employee health check-ups and hierarchical management in accordance with regulations, the Company also provides health examination items for employees working in factories in Mainland China and Myanmar that are superior to local regulations. In addition, the Company plans annual routine health promotion activities and holds large-scale sports events for employees every year to promote workplace health.</p> <p>(3) In addition to designating full-time safety and health management personnel in accordance with local laws and regulations, the Company has developed a pre-job training system for factory operators and maintenance staff working with high-risk production machines. This system requires them to study designated course materials for training. As of 2024, 23 types of high-risk machines have been included in the designated machinery models of training courses. Currently, a total of 71,793 individuals have undergone training and passed the test, with a training completion rate of 100%.</p> <p>(4) In 2024, the ISO 45001 occupational safety and health management system was implemented in shoe production factories, with 81% of the total factories passing external verification.</p> <p>(5) In 2024, the Company experienced 52 occupational accidents, involving 52 employees, accounting for 0.023% of the total number of employees. In 2024, there were 20 fire incidents with no casualties, accounting for 0% of the total number of employees. The relevant improvement measures are as follows:</p> <p>A. The Company has formulated and followed the "Procedures for Abnormal Accident Management," supplemented by the "Abnormal Incident Management System" to undertake systematic management, so as to ensure the effective implementation of</p>	



Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
		<p>Summaries</p> <p>accident notification and follow-ups.</p> <p>B. Through systematic data analysis, we conduct an occupational disaster risk matrix assessment, listing high-risk machine types, and implementing procurement source safety control and machinery rectification projects to create a safe work environment for employees.</p> <p>C. Since June 2020, the "Accident Investigation and Handling Mechanism" has been promoted, and discussion meetings have been duly held to rigorously implement accident investigation and report verification mechanism, identify the true cause, and delineate the division of authority and responsibility so that all parties involved can perform their duties.</p> <p>D. The Company uses the internal mailbox and the ESH committee to promote and discuss meeting information simultaneously. Furthermore, by implementing software and hardware improvement measures through disaster indicator analysis, we verify the progress and effectiveness of improvement via monthly and quarterly meetings.</p>	
4. Has the Company established effective career development training programs for its employees?	V	<p>4. (1) The training and development objectives are to carry on the Company's vision, operational goals and organizational needs, using systematic methods and tools to provide employees with comprehensive training to help employees continuously improve their professional and management skills, strengthen the corporate talent pool, enable employees to grow with the Company, become long-term partners in turn to create greater value for the company, achieve business goals, and facilitate devising future development plans. To strive for excellence, the Company's training program is introduced into the TTQS (Talent Quality-management System), and the effectiveness of training is self-checked by reference to international ISO standards. It was formally applied to the Ministry of Labor for evaluation, and was recognized with a gold medal in the Enterprise</p>	No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
		<p>Summaries</p> <p>& Organization Edition.</p> <p>(2) The Company’s annual training programs combines our mission, vision, business strategies and goals. We collect and understand the development focus and training requirements of each of our business department; continuously engage in innovation and introduce new technologies, concepts, and tools; encourage personal growth and organizational learning; offer diverse learning channels that encourage self-paced learning. Simultaneously, we also consider employees’ personal development plans, the training system of each level of function, relevant laws and regulations, and other professional skills certification courses, and formulate the “Training Program Management Guidelines” to facilitate the operation.</p> <p>To solidify job skills at various levels and implement the vision of lifelong learning, the Company plans a series of training programs at different stages according to its business strategy and core values. The Company constantly provide training for employees, from their employment to their expected retirement, to help them acquire the skills they need in performing their tasks and strengthening their capabilities for continued employment. By arranging training programs for employees, the Company expects to reach an internal consensus among employees so that they can recognize the organization value and furthermore contribute to achieve the best business performance for the Company.</p> <p>A Course for New Employees: The Company provides training courses for new employees to accelerate their understanding and recognition of the Company.</p> <p>B. Core Competency Course: A series training course focusing on the Company’s core functions to establish a common language within the Company.</p> <p>C. Management Course: Management courses for various management levels are planned according to the management functions and competencies.</p>	



Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons
	Yes	No	
		<p>D. Professional Course: Professional training courses for various functional attributes based on work contents and professional requirements.</p> <p>E. Self-Development Course: A range of soft power courses such as language training courses and in-house lecturers are provided to encourage a diversified development of employees.</p>	
5. 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 implement consumer protection and grievance policies?	V	<p>5. The Company strictly complies with local government laws, customer demands, and company regulations. We practice supplier management by</p> <p>(1) Partnering suppliers are required to comply with the standards adopted by the customers (e.g., Restricted Substances List, RSL).</p> <p>(2) Partnering suppliers are required to abide by the Company's basic requirements (environmental management, fire safety, safety and health, human rights). The Company continues to invest in encouraging suppliers to practice circular economy management.</p> <p>Several of the Company's suppliers have passed various management system certifications, including Bluesign, Higg, ISO 14001, ISO 14064, ISO 45001, ISO 50001, ISO 9001, LWG, Oeko-Tex, PAS 2050, SA 8000 and ZDHC.</p> <p>Effective communication with stakeholders is maintained through the Stakeholder section and mailbox for suppliers, which are provided on the Company's website.</p>	No Discrepancy.
6. Has the Company established supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V	<p>6. The Company regards integrity and compliance as the cornerstone of cooperation between the Company and suppliers. All suppliers must abide by local regulations and contractual commitments, and give priority over compliance with human rights, health and safety, and environmental protection. Through the supplier audit mechanism, partner suppliers are selected, and their overall performance is regularly evaluated, counseled, and tracked to improve the efficiency of the Company's supply chain.</p> <p>Stakeholders can access the supplier management policies and related implementation results on the Company's website under the "Sustainability - Supply Chain Management" section.</p>	No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
V. Does the Company refer to internationally reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the Company obtain third-party assurance or verification for the reports above?	V	V. The Company has been publishing its “Sustainability Report” since 2014. The “2024 Sustainability Report” follows the GRI Universal Standards 2021 issued by the Global Reporting Initiative as the primary comprehensive disclosure framework. Additionally, the report references the Task Force on Climate-Related Financial Disclosures (TCFD) and the industry guidelines from the Sustainability Accounting Standards Board (SASB). The 2024 report undergoes third-party verification by SGS Taiwan Ltd. at the AA 1000AS v3 type II high assurance level. It will be uploaded to the Market Observation Post System (MOPS) website and the Company’s website in August, 2025.	No Discrepancy.
VI. If the Company has enacted its sustainable development best practice principles according to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the operational status and discrepancy: The Company has enacted the “Sustainable Development Best Practice Principles” in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, implemented such rules accordingly, no discrepancy so far.			
VII. Other important information to facilitate better understanding of the Company’s implementation of Sustainable Development: The Company has enacted the “Sustainable Development Best Practice Principles” and prepared the “Sustainability Report” to outline the status of its sustainable development initiatives. The report is uploaded annually to both the MOPS website and the Company’s website.			



(7) Climate-related information of TWSE/TPEX Listed Companies

I. Implementation of Climate-related information

Item	Implementation
<p>1. Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.</p>	<p>Governance structure:</p> <ul style="list-style-type: none"> • The Board of Directors, as the highest decision-making unit of the Company's risk management, collaborates with functional committees and senior management to establish a comprehensive risk management framework, ensuring the effective operation of the risk management mechanism. • The Company has established a Sustainable Development Department, responsible for coordinating climate-related matters. The head of this Department reports directly to the Board of Directors on a quarterly basis regarding the progress of climate change and GHG-related initiatives. The Board periodically reviews the effectiveness of implementation and the achievement of strategic goals. • The Company has set up a "Risk Management Guidance Committee" to supervise the activities of the Risk Management Working Team. Climate-related matters fall under the purview of the Sustainable Development Department, which coordinates with senior management from relevant functional departments. They are tasked with assessing and analyzing climate-related risks and opportunities, as well as implementing strategies and actions related to climate change. • In 2021, the Board of Directors approved the Group's "Adaptation Strategy to Climate Change" which focuses on energy-related strategies arising from climate change and enhancing the Company's response to climate change. • In 2024, the Sustainable Development Department provided quarterly reports to the Board of Directors on climate change issues, including greenhouse gas management. These reports covered topics such as climate change risks and opportunities, progress on greenhouse gas inventory and verification (including training, disclosure of emissions, and planning for Scope 3 emissions inventory) for the Company and its subsidiaries, expanding green energy usage for major production bases globally (including implementing strategies such as rooftop solar installations, participating in local green energy markets, and purchasing nationally certified renewable energy certificates), TCFD disclosures, and results from climate risk scenario analysis. The Board of Directors reviewed the progress made for the year and future plans to ensure alignment with the Company's management policies and strategic direction. The Board also assesses whether the goals are realistic, offers recommendations when necessary, and encourages adjustments if required. • Currently, when departments submit proposals to the Board of Directors on corporate strategy, major action plans, risk management policies, annual budgets, capital expenditures, and acquisitions and divestitures, climate issues are not always fully integrated. However, the Company acknowledges the significant impact that climate change has on its long-term development and risk management. In response to international trends and market demands, starting from 2025, the Company will proactively implement IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) standards pursuant to FSC regulations, in order to improve information transparency and decision-making quality. A Sustainable Development Committee has been established to develop a comprehensive sustainability strategy, monitor climate risks, and guide capital allocation. The top executives from each operating and functional department serve as members of this Committee. In the future, we plan to further improve internal professional training and data analysis capabilities, regularly reviewing and adjusting related policies to ensure steady development and flexibility in adapting to climate challenges and market changes. The Company will continue to fulfill its social responsibilities, promote green transformation, and support sustainable development. • The Company integrates sustainable goals into its business strategies, embedding climate-related work such as energy conservation, carbon reduction, ventilation and cooling, and disaster prevention into key performance indicators. We track and review implementation progress regularly, and undertake timely improvement



	<p>measures as needed. These efforts will be incorporated into both department and personal performance appraisals, encouraging management to proactively pursue the Company's sustainability goals while achieving operational growth.</p> <ul style="list-style-type: none"> We identify climate-related risks and opportunities through cross-departmental discussions with reference to the SSP1-2.6 and SSP5-8.5 scenarios. According to the professional experience of each unit, we assess the time interval, occurrence probability and impact level of climate risks/opportunities, carry out risk identification and classification ranking, and assess the potential operational and financial impact on the Company. Internally, within 3 years is defined as "short-term", 3-5 years as "medium-term", and above 5 years as "long-term". Follow TCFD guidelines, 8 climate risks and 8 derivative opportunities are identified. 									
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the Company (short, medium, and long term).</p>	<p>Transition risks</p>	<p>Enhanced disclosure requirements of carbon emissions (R1)</p>	<p>Short-term</p>	<p>Potential Financial Impact</p> <ul style="list-style-type: none"> Increase in inventory capability building and third-party verification costs 	<p>Financial Costs Impact (NT\$)</p> <ul style="list-style-type: none"> Estimated subsequent Verification fees >NT\$7 million/year Estimated cost for establishing carbon inventory system >NT\$ 8.5 million 	<p>Impacted Region</p> <p>Taiwan and Vietnam</p>	<p>Climate Opportunity</p> <p>Participation in the carbon trading markets (O1)</p>	<p>Time of Impact</p> <p>Long-term</p>	<p>Potential Financial Impact</p> <p>To enhance regulatory adaptability to maintain smooth operations</p>	<p>Response strategy</p> <ul style="list-style-type: none"> To establish and train an inventory team on inventory capability To implement a systematic data collection system To expand third-party verifications coverage year by year
	<p>Carbon pricing mechanism (R2)</p>	<p>Medium-term</p>	<p>Potential Financial Impact</p> <ul style="list-style-type: none"> Impact on operating revenue due to international carbon tariffs/fees mechanism and limited capacity allocation 	<p>Financial Costs Impact (NT\$)</p> <ul style="list-style-type: none"> Under evaluation 	<p>Impacted Region</p> <p>Headquarters</p>	<p>Climate Opportunity</p> <p>Participation in the renewable energy market (O4)</p>	<p>Time of Impact</p> <p>Long-term</p>	<p>Potential Financial Impact</p> <p>To acquire carbon credits for emission offsets and generate carbon credits revenue</p>	<p>Response strategy</p> <ul style="list-style-type: none"> To develop an implementation plan for carbon inventory To establish an internal carbon pricing mechanism 	
	<p>Compulsory requirements on the use of renewable resources (R3)</p>	<p>Short-term</p>	<p>Potential Financial Impact</p> <ul style="list-style-type: none"> Increase in capital expenditure of renewable energy installation, purchase green electricity (PPA) and renewable energy certificate (RECs) 	<p>Financial Costs Impact (NT\$)</p> <ul style="list-style-type: none"> Invested NT\$ 38 million in purchasing renewable resources in 2024 and it is expected to increase year by year. 	<p>Impacted Region</p> <p>All production sites</p>	<p>Climate Opportunity</p> <p>Participation in the renewable energy market (O4)</p>	<p>Time of Impact</p> <p>Short-term</p>	<p>Potential Financial Impact</p> <p>Early acquisition of renewable energy ensures operational stability, strengthens customer relationships, and secures orders</p>	<p>Response strategy</p> <ul style="list-style-type: none"> To install rooftop solar systems adapted to factory site To participate in local green electricity trading markets where it domiciles To purchase the renewable energy certificates with nationally/internationally authentication 	



Types	Climate Risk	Time of Impact	Potential Financial Impact	Financial Costs Impact (NT\$)	Impacted Region	Climate Opportunity	Time of Impact	Potential Financial Impact	Response strategy
Transition risks	Low carbon production (R4)	Short-term	<ul style="list-style-type: none"> Increase in capital expenditure Production and equipment upgrade Investments in low-carbon energy Carbon reduction for wastes 	<ul style="list-style-type: none"> Invested approximately NT\$ 690 million in purchasing and replacing of energy-saving equipment in 2024. 	All production sites	Energy efficiency improvement (O7) Participation in the renewable energy market (O4)	Short-term Short-term	Reduction of energy costs Stable energy supply	<ul style="list-style-type: none"> To increase the use of renewable energy To use low-carbon, high-efficiency energy To improve energy efficiency of equipment To control leakage To promote an energy monitoring and management system To effectively use resources and enhance the reuse of waste
	Impact on production (R5)	Short-term	<ul style="list-style-type: none"> Power restriction policies Carbon emissions cap policies Order placement affected by customers' evaluations 	<ul style="list-style-type: none"> Under evaluation 	All production sites	Automated process development (O2) Establishment of circular economy model for footwear industry (O5)	Medium-term Long-term	Successful construction of automated production lines to enhance competitiveness Improvement of resources applications	<ul style="list-style-type: none"> To establish a dedicated ESG unit To improve transparency of ESG information through external questionnaires, sustainability reports, and other platforms
	Impact on corporate image (R6)	Short-term	<ul style="list-style-type: none"> ESG assessments Investors' willingness of investment Impact on funding sources and revenue 	<ul style="list-style-type: none"> Under evaluation 	Headquarters	-	-	-	-



Types	Climate Risk	Time of Impact	Potential Financial Impact	Financial Costs Impact (NT\$)	Impacted Region	Climate Opportunity	Time of Impact	Potential Financial Impact	Response strategy
Physical risks	Extreme climate events (R7)	Short-term	<ul style="list-style-type: none"> Disruption of production base operations Transportation disruption Water shortage due to drought Increase in capital expenditure and decrease in operating revenue 	<ul style="list-style-type: none"> Under evaluation 	Mainland China and Vietnam	<ul style="list-style-type: none"> Adopting more efficient transportation methods (O6) Automated process development (O2) Improvement of water use efficiency (O3) 	<ul style="list-style-type: none"> Long-term Medium-term Medium-term 	<ul style="list-style-type: none"> Enhancing climate resilience to minimize operational disruptions and losses 	<ul style="list-style-type: none"> To enhance response measures to extreme weather at production bases To set up an emergency power supply set To pay attention to climate risk alerts so as to respond ahead of time To enhance water treatment and water recycling measures
	Average temperature increased (R8)	Short-term	<ul style="list-style-type: none"> Increase in capital expenditure due to improved working environment Increase in power costs and carbon emissions 	<ul style="list-style-type: none"> Invested approximately NT\$ 2.4 million in purchasing and replacing ventilation equipment in 2024. 	All production sites	<ul style="list-style-type: none"> Introduction of new technologies (O8) 	Medium-term	<ul style="list-style-type: none"> Reduction of energy costs 	<ul style="list-style-type: none"> To optimize ventilation designs for factory To align new factory design with climate information
3. Describe the financial impact of extreme weather events and transformative actions.	<ul style="list-style-type: none"> The physical risks identified by the Company are primarily extreme weather events and increased average temperature, with potential impacts including business interruption, transportation disruption, water shortage, and increased temperature in the operating environment. Financial impacts include impact on revenue and increase in capital expenditure for preparedness and improvement to the operating environment. The transition risks identified by the Company are primarily enhanced carbon disclosure requirements, carbon pricing mechanism, compulsory use of renewable energy, low carbon production, impacts on production, and impacts on the Company's image. These risks may have financial impacts, including lower revenue, higher operating costs, and increased capital expenditure as result of the transition. 								
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk	<p>Climate risks assessment and management process: The Company invited related units to review the impact of various climate risks and opportunities under the SSP1-2.6 and SSP5-8.5 scenarios of the TCFD framework. Participants include the risk management units, the Spokesperson's Office (unified external communication channel), local administration centers (government communication channel), representatives of the Business Units (customer communication channel), Global Supply Chain Management, and the Sustainable Development Department. The identification process and results are as follows:</p> <ul style="list-style-type: none"> Identification of climate risks and opportunities: we collected background information on climate risk issues, considered transition risks (including policy/legal, market, technology, and reputation) and physical risks (including immediate and long-term risks), and then identified corresponding climate opportunities. Evaluation process: Representatives from various departments and external experts participated in a training and discussion session on "Climate-related Financial 								



<p>management system.</p>	<p>Disclosure", and questionnaires and internal meetings were conducted to assess the potential duration of impact, occurrence probability, potential financial impact, impact level, and other aspects of risk/opportunity factors.</p> <ul style="list-style-type: none"> • Materiality analysis: Through discussion, the Climate Risk Management Working Group had identified six transitional risks, two physical risks, and eight opportunities in 2022, rated and sorted based on their likelihood and impact. The 2024 assessment report will continue using these 2022 assessment results, while in 2025 we will adopt the IFRS S2 standard and re-assess climate risks and opportunities. • Formulation of response strategies and management goals: We conducted a qualitative assessment of risk hedging costs for identified major climate risks and formulate adequate response strategies. Our strategies focus on improving emergency response capabilities, optimizing management systems, and enhancing physical equipment. <p>Integration into the overall risk management system:</p> <ul style="list-style-type: none"> • We conduct risk factor identifications once in three years, assessing the impact on operations and probabilities of risks to identify significant climate risks and opportunities, and adjusting response strategies accordingly. <p>Climate risk issues have been incorporated into the Company's overall risk management process. The Climate Risk Management Task Force, coordinated by the Sustainable Development Department and composed of related department heads is in charge of assessing and analyzing climate-related risks and opportunities and implementing climate-related strategies and action plans.</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 used should be described.</p>	<ul style="list-style-type: none"> • When assessing climate impacts, factors in different regions and different climate scenarios are considered, along with the use of climate risk assessment tools. • Currently, for major production bases in Taiwan and Mainland China, Indonesia, Vietnam, risk assessments based on the SSP1-2.6 and SSP5-8.5 scenarios were carried out for the mid-century (2050) end of the century (2100). Risk items for scenario analysis include sea level rise/flood risk, predicated changes in average temperature, predicated changes in daily high temperature, predicated changes in daily rainfall, among others. The evaluation results are as follows: In the SSP1-2.6 scenario: • By the mid-century (2050), the production bases in Tiền Giang Province and Ho Chi Minh City in Vietnam may face the risk of sea level rise/flooding. Potential financial impact: Operational interruptions at production bases. • By the end of the century (2100), the production bases in Tiền Giang and Ho Chi Minh City in Vietnam may face the risk of sea level rise/flooding; daily rainfall at all production bases in Vietnam and Indonesia may increase by 10 to 20%; daily high temperature in Dongguan, Mainland China, may increase by over 1.5°C. Potential financial impact: Operational interruptions at production bases and increased capital expenditures to improve the working environment for employees. • In the SSP5-8.5 scenario: • By the mid-century (2050), the production bases in Tiền Giang Province and Ho Chi Minh City in Vietnam may face the risk of sea level rise/flooding; daily rainfall at all production bases in Vietnam, Indonesia, and Dongguan, Mainland China may increase by 10 to 20%; daily high temperature at all production bases may increase by over 1.5°C; for production bases in Taiwan and Mainland China, the average temperature may rise by more than 1.5°C. Potential financial impact: Operational interruptions at production bases and increased capital expenditures to improve the working environment for employees. • By the end of the century (2100), the production bases in Tiền Giang and Ho Chi Minh City in Vietnam may face the risk of sea level rise/flooding; daily rainfall at all production bases may increase by 20 to 30%; daily high temperature and average high temperature at all production bases may increase by more than 3 to 5°C. Potential financial impact: Operational interruptions at production bases and increased capital expenditures to improve the working environment for employees. • The assessment results will be taken into consideration for the flexible preparation of operating bases subsequently.



<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>In response to the transition risk strategy, the Company has set the corresponding direction. The implementation of the transformation plan will be initiated once the specific details are clearly defined.</p>
<p>7. If internal carbon pricing is used as a planning tool, the bases for setting the price should be stated.</p>	<p>The Company has not yet to adopt an internal carbon pricing mechanism.</p>
<p>8. If climate-related targets have been set, the activities covered, the scopes of GHG emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits of RECs to be offset should be specified.</p>	<p>Phased Missions and Targets of GHG and Energy Management:</p> <ul style="list-style-type: none"> • Phase 1 (2016-2020): Reduce average energy consumption per footwear product by 8% in 2020, using 2016 as the baseline year. • Phase 2 (2021-2025): Achieve zero growth in carbon emissions for Scope 1 and Scope 2 emissions from footwear business by 2025, using 2019 as the baseline year. • Phase 3 (2026-2030): Reduce absolute GHG emissions by 46.2% in Scope 1 and Scope 2 emissions from footwear business by 2030, using 2019 as the baseline year. <p>Quantity of Renewable Energy Certificates (REC): In 2024, the total RECs purchased reached 247,610 MWh, offsetting 134,371.25 tCO₂^e of GHG emissions.</p> <p>Achievement of reduction target: In terms of Scope 1 and Scope 2 GHG emissions from the footwear business, the market-based emissions in 2024 totaled approximately 554,400 tCO₂^e, reflecting a decrease of 3.52% compared with 2019 baseline level of approximately 574,600 tCO₂^e.</p>



<p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan</p> <p>9-1 Greenhouse Gas Inventory and Assurance</p> <p>Status for the Most Recent 2 Fiscal Years</p>	<p>Basic Information of the Company</p> <ul style="list-style-type: none"> ■ Capital of NT\$10 billion or more, iron and steel industry, or cement industry □ Capital of NT\$ 5 billion or more but less than NT\$10 billion. □ Capital of less than NT\$5 billion. 	<p>Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEX Listed Companies.</p> <ul style="list-style-type: none"> ■ Inventory for Parent Company only ■ Assurance for Parent Company only ■ Inventory for all consolidated entities □ Assurance for all consolidated entities 																																			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Scope</th> <th rowspan="2">Operating revenue (In NT\$ thousands)</th> <th colspan="2">Scope 1 Direct Greenhouse Gas Emissions</th> <th colspan="2">Scope 2 Indirect Greenhouse Gas Emissions from imported energy</th> <th rowspan="2">Assurance Body</th> <th rowspan="2">Description of assurance status</th> </tr> <tr> <th>Total Emissions(tCO₂^e)</th> <th>Intensity (tCO₂^e/NT\$ million)</th> <th>Total Emissions(tCO₂^e)</th> <th>Intensity (tCO₂^e/NT\$ million)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">The Company</td> <td>2024</td> <td>9,547</td> <td>611.11</td> <td>0.064</td> <td>8,360.19</td> <td>0.876</td> <td>Verification is based on ISO 14064-1:2018 issued by the International Organization for Standardization (ISO). The third-party verification was completed in March 2025, with a reasonable assurance level certificate expected in May 2025.</td> </tr> <tr> <td>2023</td> <td>8,238</td> <td>554.65</td> <td>0.067</td> <td>7,957.82</td> <td>0.966</td> <td>Verification is based on ISO 14064-1:2018 issued by the International Organization for Standardization (ISO). The third-party verification was completed in February 2024, with a reasonable assurance level certificate in April 2024.</td> </tr> <tr> <td>All subsidiaries in Consolidated financial report</td> <td>2024</td> <td>254,271</td> <td>75,681.94</td> <td>0.298</td> <td>740,297.36</td> <td>2.911</td> <td>The data of some subsidiaries in the consolidated financial report have not yet been verified by a third party, and will be verified within the prescribed time frame in accordance with the law.</td> </tr> </tbody> </table>	Scope	Operating revenue (In NT\$ thousands)	Scope 1 Direct Greenhouse Gas Emissions		Scope 2 Indirect Greenhouse Gas Emissions from imported energy		Assurance Body	Description of assurance status	Total Emissions(tCO ₂ ^e)	Intensity (tCO ₂ ^e /NT\$ million)	Total Emissions(tCO ₂ ^e)	Intensity (tCO ₂ ^e /NT\$ million)	The Company	2024	9,547	611.11	0.064	8,360.19	0.876	Verification is based on ISO 14064-1:2018 issued by the International Organization for Standardization (ISO). The third-party verification was completed in March 2025, with a reasonable assurance level certificate expected in May 2025.	2023	8,238	554.65	0.067	7,957.82	0.966	Verification is based on ISO 14064-1:2018 issued by the International Organization for Standardization (ISO). The third-party verification was completed in February 2024, with a reasonable assurance level certificate in April 2024.	All subsidiaries in Consolidated financial report	2024	254,271	75,681.94	0.298	740,297.36	2.911	The data of some subsidiaries in the consolidated financial report have not yet been verified by a third party, and will be verified within the prescribed time frame in accordance with the law.	<p>Of the total greenhouse gas emissions disclosed by the Company in 2024, 8,360.19 metric tons of tCO₂^e (representing 1.01% of the total emissions) have been verified by an assurance institute in accordance with ISO 14064-1:2018 standard, with the opinion providing reasonable assurance.</p>
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<p>9-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan</p>	<p>Greenhouse Gas Reduction Targets</p> <p>In order to establish an effective greenhouse gas reduction strategy, the Company has completed a comprehensive inventory of all Scope 1 (direct emissions) and Scope 2 (indirect emissions) greenhouse gas emissions based on consolidated financial reports, followed by an analysis of this data. The results indicate that the manufacturing of shoes business accounts for approximately 87% of total emissions, making it the primary source of emissions. Therefore, the current greenhouse gas reduction targets are focused on this area of the business.</p> <p>The Company has set a target for Scope 1 and Scope 2 emissions in 2025 to not exceed the levels recorded in the baseline year of 2019, striving toward the goal of zero emissions growth.</p> <p>Greenhouse Gas Reduction Strategies</p> <p>More than 80% of greenhouse gas emissions from the footwear manufacturing process originate from electricity consumption. To achieve its carbon reduction target, the Company will prioritize reducing emissions from electricity use by implementing comprehensive reduction plans that focus on expanding green energy usage and improving energy efficiency.</p> <p>Specific Action Plan</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Expanding green energy usage <ul style="list-style-type: none"> • As of the end of 2024, the Company has completed constructing rooftop solar systems (RTS) in six plant sites in mainland China, Indonesia and Vietnam with a combined installed capacity of 9.03 MWh. In 2025, we will further evaluate plans for solar installations in Indonesia and continue to expand our use of renewable energy sources. • The Company has actively purchased Renewable Energy Certificates (RECs) in mainland China, Indonesia, Vietnam and Cambodia. By the end of 2024, we have purchased a total of 247,610 MWh worth of RECs. In 2025 we plan to further increase the proportion of certificates procured based on actual manufacturing needs, continuing to reduce carbon emissions. <input checked="" type="checkbox"/> Improve energy efficiency <ul style="list-style-type: none"> • Through strengthened management of equipment sourcing and procurement and the promotion of energy-saving projects, the Company has achieved early results in energy management. As of the end of 2024, we have saved a total of 11,910 MWh of electricity. In 2025, we will continue to adopt high-efficiency equipment and actively promote various energy-saving measures to further improve energy efficiency and reduce waste and emissions in the manufacturing process. <p>The Company will continue to improve its greenhouse gas reduction strategy and make steady progress toward carbon reduction targets by implementing systematic energy management and expanding green energy initiatives, laying a solid foundation for sustainable operations.</p>
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(8) The Company's implementation status of ethical corporate management and the discrepancy with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons.

Evaluation Item	Implementation status		Discrepancy with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons
	Yes	No	
<p>I. Enacting ethical corporate management policies and plans</p> <p>1. Does the Company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment by the Board of Directors and Management to implement the policies?</p>	V		No Discrepancy.
<p>2. Does the Company have mechanisms in place 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 operation? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the</p>	V	<p>1. The Company has enacted "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Corporate Management and Conduct Guidelines", and relevant internal rules, expressly setting forth the ethical corporate management policies, measures and commitment by the Board of Directors and the Management to execute such management policies.</p> <p>2. The Company has set relevant conduct to follow in Procedures for Ethical Corporate Management and Conduct Guidelines. In addition to raising the Company's personnel's moral standards and strengthening their self-restraint, the Company requires the major suppliers to execute "Honest Transaction Agreement" or provide the Company with honesty declaration or honesty mechanism related documents. Besides, to ensure performance of ethical corporate management, the Company establishes effective accounting system and internal control system. The internal auditor will examine the implementation status of each system regularly and report to the Board of Directors.</p>	No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons
	Yes	No	
Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?			
3. Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies and also review regularly to revise the policies?	V		No Discrepancy.
II. Implementing ethical corporate management			
1. Does the company evaluate business partners' ethical records and include ethics related clauses in business contracts?	V		No Discrepancy.
2. Does the Company establish a dedicated unit supervised by the Board, to be in charge of corporate integrity, report its integrity policy and unethical conduct prevention	V		No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
solutions as well as supervision implementation status to the Board of Directors on a regular basis?		<p>as all office staff and store managers and above at Pou Sheng International (Holdings) Limited, the Company’s Hong Kong-listed subsidiary, have signed the “Undertakings of Ethics and Integrity” and “Confidentiality Commitment”. The completion rate is 100%.</p> <p>(2) Continue to promote the ethical corporate management.</p> <p>(3) The Company organized ethical corporate management awareness workshops and training programs in 2024, with approximately 4,250 attendees.</p>	
3. Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V	<p>3. The Company’s “Procedures for Ethical Corporate Management and Conduct Guidelines” and “Ethical Conduct Standards” have expressly provided the policies to prevent conflict of interests. In addition to proactive investigation, the Company also established complaint channel (HQ@pouchen.com) on the internal and external websites to deal with possible violation of laws or moral standards, and the disciplinary action will be made according to the severity and specifics of the incident.</p>	No Discrepancy.
4. Has the Company implemented effective accounting and internal control systems for the purpose of maintaining business integrity? Does the internal audit unit establish applicable audit plans based on the results of unethical conduct risk assessment, and use the plans to audit unethical conduct prevention solutions or engage a CPA to carry out the audit?	V	<p>4. To realize ethical corporate management, the Company has established an effective accounting system and internal control system. The internal auditor regularly reviews the implementation status and prepares audit reports for submission to the Board of Directors.</p>	No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	
5. Does the company regularly hold internal and external educational trainings on operational integrity?	V		No Discrepancy.
III. Operational status of the Company's complaint mechanism 1. Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible personnel to handle the complaint received?	V		No Discrepancy.
2. Does the Company establish standard operating procedures for confidential reporting on investigating accusation cases?	V		No Discrepancy.
3. Does the Company provide proper whistleblower protection?	V		No Discrepancy.
IV. Enhancing information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and the MOPS website?	V		No Discrepancy.



Evaluation Item	Implementation status		Discrepancy with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
<p>V. If the Company has enacted its ethical corporate management best practice principles according to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please describe the operational status and discrepancy:</p> <p>The Company has enacted and implemented the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Corporate Management and Conduct Guidelines”, and has adhered to these policies with no discrepancies identified to date.</p> <p>VI. Other important information to facilitate the understanding of the Company’s implementation of ethical corporate management:</p> <ol style="list-style-type: none"> As a preliminary condition to perform the ethical corporate management, the Company complies with the “Company Act”, the “Securities and Exchange Act”, the “Business Entity Accounting Act”, the “Political Donations Act”, the “Anti-Corruption Act”, the “Government Procurement Act”, the “Act on Recusal of Public Servants Due to Conflict of Interest”, relevant regulations governing TWSE listed companies or other related laws governing business acts. The Company’s “Management Procedures for the Operation of Board of Directors’ Meeting” has provided the conflict of interest system for directors. For the proposal proposed in the Board of Directors’ meeting, the director with personal interest or the juristic-person shareholder’s interest therein, which may harm the Company’s interest, may state his/her opinions and reply to enquiries, shall not participate in the discussion and resolution, shall recuse himself/herself from the discussion and resolution, and shall not vote on behalf of other director as his/her proxy. The Company’s “Procedures for Handling Material Inside Information” has expressly provided that its Directors, officers and employees shall not disclose the material inside information he/she knows to third parties, shall not make enquiries or collect undisclosed material inside information of the Company which is unrelated to his/her personal duties from the one who is informed of such material inside information, and shall not disclose to third parties the undisclosed material inside information he/she obtains other than during the course of performing his/her duties. Information on insider trading prevention issued by the competent authority is provided (in print or by email) to directors and managers within two months of their appointment and at least once a year. Employees are required to attend online courses on ethical awareness; these courses cover case studies of insider trading and introduce what are insider trading, and the legal responsibilities and disciplinary actions associated with insider training. In order to implement the Company’s corporate governance unit’s awareness and compliance with the prohibition of insider trading, the Company conducted insider trading prevention briefing for all directors and other insiders in January, April, July and October of 2024. In addition, since 2022, Article 10 of the “Corporate Governance Code of Practice” has been added and implemented: the Company’s insiders are prohibited from trading the Company’s stock from the day they become aware of the Company’s financial reports or related performance, including (but not limited to) during the 30-day closed period before the announcement of annual financial report and 15-day closed period before the announcement of quarterly financial reports. 			



Evaluation Item	Implementation status		Discrepancy with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons
	Yes	No	
6. The Company expanded awareness and online training on ethical management in 2024, the results are as follows:			
Item	Type of training	Content	Attendance
Group personnel training	Online training	Awareness on ethical management, confidential, and prohibition of insider trading	A total of 416 attendees
Group personnel training	Online training	Awareness on the Group code of conduct and core values	A total of 3,834 attendees



- (9) Other important information to facilitate the understanding of the Company's implementation of corporate governance:

The Company has established its Articles of Incorporation, Corporate Governance Best Practice Principles, Regulations Governing Procedure for Board of Directors Meetings, and organizational regulations for its functional committees, among other related regulations. It continues to strengthen its corporate governance practices and discloses the following information on the Company's website (<https://www.pouchen.com/>)

- A. Profiles of individual board members and their responsibilities, and the board diversity policy and its implementation.
- B. Information on board members and succession planning for the management team.
- C. Composition of functional committees.
- D. Corporate governance-related regulations.
- E. Monthly operating results, annual financial reports, and quarterly financial reports.
- F. Meeting notice, meeting handbook and supplementary information, annual report and meeting minutes.



(10) Internal control system implementation status:

POU CHEN CORPORATION
Statement of Internal Control System

Date: March 12, 2025

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year 2024:

- I. The Company acknowledges that it is the Company's board of directors' and officers' responsibility to establish, implement, and maintain an adequate internal control system. Our internal control system is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability, timeliness and transparency of our reporting, compliance with applicable rules, laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its three stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes in environment and circumstances. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (the "Regulations"). The criteria adopted by the Regulations identify five key elements of managerial control processes: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each element also includes several items which can be found in the Regulations.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system based on the aforementioned Regulations.
- V. Based on the findings of such evaluation, the Company believes that, on December 31, 2024, it has maintained an effective internal control system (including the supervision and management of its subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rules, laws and regulations.
- VI. This Statement is an integral part of the Company's 2024 Annual Report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liabilities under Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
- VII. It is hereby declared that this Statement was passed by the Board of Directors in their meeting held on March 12, 2025, with all nine attending directors approving the content of this Statement.

Pou Chen Corporation

Chairman of the Board: Chan, Lu-Min

President: Lu, Chin-Chu





(11) The Company is required to hire an accountant to audit the Company's internal control system and disclose the audit report made by accountants: N/A.

(12) Important resolutions of shareholders meeting and board meeting in the most recent year and during the current fiscal year up to the Publication date of this Annual Report:

A. Material resolutions of 2024 annual general shareholders' meeting and the implementation status thereof :

Date	The type of meeting	Material resolutions	Implementation status
2024.05.31	Annual general shareholders' meeting	Ratification: i. The 2023 Business Report, Financial Statements and profit distribution plan.	Distribute cash dividends at NT\$1.1 per share. The ex-dividend record date was July 5, 2024, and the cash dividends had been distributed on July 26, 2024.
		Discussion: i. Proposal for the release of the Company's Director from non-competition restrictions.	The representative of the juristic-person Director of the Company will comply with all applicable legal requirements.

B. Material resolutions passed at the Board of directors' meetings in 2024 and up to the publication date of this annual report:

Date	Term	Material resolutions
2024.01.30	12th meeting of the 24th Board of Directors	1. Approved the 2023 annual bonus for the officers of the Company.
2024.03.14	13th meeting of the 24th Board of Directors	1. Approved the amount of the Company's 2023 distribution for directors' remuneration and employees' compensation. 2. Approved the Company's 2023 Business and Financial Reports. 3. Approved the amendments to the Company's "Internal Control System" and "Internal Audit Systems." 4. Approved the Company's 2023 "Effectiveness Assessment of Internal Control System" and "Statement of Internal Control System". 5. Approved the application for renewing the line of credit for the Company to borrow funds from financial institutions. 6. Approved the line of credit for the Company to make endorsement or guarantee for its subsidiaries. 7. Relevant matters regarding convening the Company's 2024 annual general shareholders' meeting.
2024.04.15	14th meeting of the 24th Board of Directors	1. Approved the proposal to appoint new officers. 2. Approved the remuneration for the Company's new officers 3. Approved the Company's 2023 profit distribution plan. 4. Approved the 2023 profit distribution of cash dividends. 5. Release the director of the Company from non-competition restrictions. 6. Approved the amendment of the Company's "Rules Governing Financial and Business Matters among Related Parties".



Date	Term	Material resolutions
		<ol style="list-style-type: none">7. Approved the application for renewing the line of credit for the Company to borrow funds from financial institutions.8. Approved the line of credit for the Company to make endorsement or guarantee for its subsidiaries.9. Approved amendments to the relevant matters regarding convening the Company's 2024 annual general shareholders' meeting.
2024.05.15	15th meeting of the 24th Board of Directors	<ol style="list-style-type: none">1. Approved the Company's "Director development plan" for 2024.2. Approved the Company's Financial Reports for the first quarter of 2024.3. Approved the application for renewing the line of credit for the Company to borrow funds from financial institutions.4. Approved the line of credit for the Company to make endorsement or guarantee for its subsidiaries.
2024.08.14	16th meeting of the 24th Board of Directors	<ol style="list-style-type: none">1. Approved the Company's 2023 Sustainability report.2. Approved of the performance evaluations of the Company's directors and officers, and the policies, systems, standards, and structures regarding their remunerations.3. Approved matters pertaining to the Company's 2023 distribution for directors' remuneration.4. Approved matters pertaining to rewards for officers of the Company.5. Approved the 2023 employees' compensation for the Company's officers.6. Approved the proposal to appoint new officers.7. Approved the remuneration for the Company's new officers.8. Approved the Company's Financial Reports for the second quarter of 2024.9. Approved the acquisition of right-of-use assets of real estate from Chuan Mou Investments Co., Limited.10. Approved the acquisition of right-of-use assets of real estate from Pro Arch International Development Enterprise Inc.11. Approved the application for renewing the line of credit for the Company to borrow funds from financial institutions.12. Approved the line of credit for the Company to make endorsement or guarantee for its subsidiaries.
2024.11.12	17th meeting of the 24th Board of Directors	<ol style="list-style-type: none">1. Approved the 2024 adjustments to remunerations for the Company's officers.2. Approved the Company's Financial Reports for the third quarter of 2024.3. Approved the independence assessment and appointment of the Company's CPA and approved the CPA's remuneration.4. Approved the amendments to the Company's "Rules of Procedure for Board of Directors Meetings".5. Approved the amendments to the Company's "Organizational Rules for the Audit Committee".6. Approved the amendment of the Company's "Procedures for Evaluating the Board of Directors' Performance".7. Approved the application for increasing and renewing the line of credit for the Company to borrow funds from financial institutions.



Date	Term	Material resolutions
		8. Approved the line of credit for the Company to make endorsement or guarantee for its subsidiaries.
2024.12.19	18th meeting of the 24th Board of Directors	<ol style="list-style-type: none"> 1. Approved the Company's 2025 Business Plan. 2. Approved the Company's selection criteria of Directors. 3. Approved the amendments to the Company's "Internal Control System" and "Internal Audit Systems." 4. Approved the Company's Internal Audit Plan for 2025. 5. Approved the Company's change of stock transfer agency. 6. Approved the application for renewing the line of credit for the Company to borrow funds from financial institutions. 7. Approved the line of credit for the Company to make endorsement or guarantee for its subsidiaries.
2025.01.16	19th meeting of the 24th Board of Directors	<ol style="list-style-type: none"> 1. Approved the pension for the Company's officer. 2. Approved the 2024 annual bonus for the officers of the Company.
2025.03.12	20th meeting of the 24th Board of Directors	<ol style="list-style-type: none"> 1. Approved the amount of the Company's 2024 distribution for directors' remuneration and employees' compensation. 2. Approved the Company's 2024 "Effectiveness Assessment of Internal Control System" and "Statement of Internal Control System". 3. Approved the Company's 2024 Business and Financial Reports. 4. Approved the application for increasing and renewing the line of credit for the Company to borrow funds from financial institutions. 5. Approved the line of credit for the Company to make endorsement or guarantee for its subsidiaries. 6. Approved the Company's "Director development plan" for 2025. 7. Approved the Election of all Directors, including three independent Directors, of the Company. 8. Approved and verified the list of 25th director's candidates. 9. Relevant matters regarding convening the Company's 2025 annual general shareholders' meeting.
2025.04.17	21st meeting of the 24th Board of Directors	<ol style="list-style-type: none"> 1. Approved the definition of the scope for the Company's entry-level employees. 2. Approved the amendments to the Company's "Internal Control System". 3. Approved the amendments to the Company's "Articles of Incorporation". 4. Approved the Company's 2024 profit distribution plan. 5. Approved the 2024 profit distribution of cash dividends. 6. Release the newly appointed Directors of the Company from non-competition restrictions. 7. Release the officers of the Company from non-competition restrictions. 8. Approved the application for renewing the line of credit for the Company to borrow funds from financial institutions. 9. Approved the line of credit for the Company to make endorsement or guarantee for its subsidiaries.



(13) In recent fiscal year and up to the Publication date of this Annual Report, major contents of the record or written statements made by any director dissenting to important resolutions adopted by the Board of Directors: N/A.

2.4 Information Regarding the Company’s Professional Fees for the Certified Public Accountant

(1) Information regarding the Company’s professional fees for the Certified Public Accountant

(In NT\$ thousands)

Accounting firm	Name of the CPA	CPA’s audit period	Audit fees	Non-Audit Fees	Sum	Note
Deloitte & Touche	Wu, Ker-Chang	Financial reports for the first, second, and third Quarters of 2024, as well as the annual financial report	11,180	1,625	12,805	
	Shyu, Wen-Yea					

(2) Please verify the contents of non-audit fees: Transfer pricing, master file fee, and the verification fee of direct deduction method-business tax.

(3) The facts of changing the CPA Firm and the CPA fee paid in the year of change decreased from the preceding year: N/A.

(4) Decrease of CPA fee by more than 10% compared with that in the preceding year: N/A.

2.5 Information Regarding the change of Certified Public Accountant: N/A (as of the date of this Annual Report)

2.6 The Company’s Chairman, Presidents, or any Officer in charge of Financial or Accounting Affairs has served with Its Certified Public Accountant Firm or Its Affiliated Enterprises for the most recent fiscal year: N/A



2.7 Transfer of Equity Interests and/or Pledge of or Changes in Equity Interests by Directors, Officers or Major Shareholders with a Stake of More than 10 Percent for the Most Recent Fiscal Year and during the Current Fiscal Year up to the Publication date of this Annual Report

Unit: shares

Title	Name	Year 2024		Until April 17 of the year 2025	
		Increase/Decrease of the shareholding	Increase/Decrease of the shares under pledge	Increase/Decrease of the shareholding	Increase/Decrease of the shares under pledge
Chairman of the Board	Chuan Mou Investments Co., Limited Representative: Chan, Lu-Min (President of the Administration Management Department)	0	0	0	0
Director	Tsai, Pei-Chun	0	0	0	0
Director	Tzong Ming Investments Co., Limited Representative: Tsai, Min-Chieh	0	0	0	0
Director	Ever Green Investments Corporation Representative: Lu, Chin-Chu (President)	0	0	0	0
Director	Sheachang Enterprise Corporation Representative: Wu, Pan-Tsu	0	0	0	0
Director	Shun Tai Investments Co., Limited Representative: Ho, Yue-Ming (Vice President)	0	0	0	0
Independent Director	Chen, Huan-Chung	0	0	0	0
Independent Director	Hsu, Chu-Sheng	0	0	0	0
Independent Director	Chang, Shih-Chieh	0	0	0	0
Vice President	Liu, Hong-Chih	0	0	0	0



Title	Name	Year 2024		Until April 17 of the year 2025	
		Increase/Decrease of the shareholding	Increase/Decrease of the shares under pledge	Increase/Decrease of the shareholding	Increase/Decrease of the shares under pledge
Vice President	Chang, Chia-Li (Note 1)	0	0	-	-
Vice President	Hu, Chia-Ho	0	0	0	0
Vice President	Chiu, Hui-Yao	0	0	0	0
Vice President	Minston Chao	0	0	0	0
Vice President	Shih, Chih-Hung	0	0	0	0
Vice President	Lee, Qin-Xue	0	0	0	0
Executive Senior Manager	Yen, Chia-Wen	0	0	0	0
Executive Senior Manager	Johnson Tong (Note 2)	0	0	0	0
Executive Senior Manager	Lin, Wang-Chyan (Note 2)	0	0	0	0
Executive Senior Manager	Chen, Chia Hung (Note 3)	0	0	0	0
Executive Senior Manager	Liao, Yuang-Whang (Note 4)	0	0	-	-
Financial officer	Chang, Yea-Fen	0	0	0	0
Accounting officer	Wu, Hui-Chi	0	0	0	0
Corporate governance officer	Huang, Chao-Fen	0	0	0	0

Note 1: Retired as an officer on December 30, 2024.

Note 2: Appointed as an officer at the Board of Directors' meeting on April 15, 2024.

Note 3: Appointed as an officer at the Board of Directors' meeting on August 14, 2024.

Note 4: Resigned as an officer on November 20, 2024.



2.8 Relationship among the Top Ten Shareholders

March 31, 2025 (Unit: Shares)

Name	Shares held by him/herself		Shares held by the spouse or underage children		Shareholding by nominee arrangement		Name and relationship between the Company's top ten shareholders, or spouses or relatives within the second degree of kinship		Notes
	Number of shares	Ratio (%)	Number of shares	Ratio (%)	Number of shares	Ratio (%)	Name	Relations	
PC Holdings Limited	213,270,710	7.24	0	-	0	-	N/A	-	-
Chairman: Tsai, Min-Chieh	3,471,485	0.12	0	-	0	-	Huang, Shu-Man	Mother and daughter	-
Chuan Mou Investments Co., Limited	163,425,022	5.55	0	-	0	-	N/A	-	-
Chairman: Lee, A-Chuan	175,000	0.01	0	-	0	-	N/A	-	-
Red Magnet Developments Limited	135,594,174	4.60	0	-	0	-	N/A	-	-
Representative: Wu, Pan-Tsu	-	0.00	0	-	0	-	N/A	-	-
Taishin International Bank Trust Account by Huang, Shu-Man	101,951,385	3.46	0	-	0	-	N/A	-	-
Hua Nan Bank in custody for Yuanta Taiwan Value High Dividend ETF	76,313,000	2.59	0	-	0	-	N/A	-	-
Capital Securities Corporation in custody for Unicorn Securities Company Limited	54,826,516	1.86	0	-	0	-	N/A	-	-
Sales department of Standard Chartered Bank (Taiwan) Limited in custody for Furstentum Liechtenstein bank	50,302,174	1.71	0	-	0	-	N/A	-	-
Huang, Shu-Man	42,827,420	1.45	0	-	0	-	Tsai, Min-Chieh	Mother and daughter	-
Sales department of Standard Chartered Bank (Taiwan) Limited in custody for Standard Chartered Bank (Hong Kong) Limited- Administrator JPMORGAN	38,114,000	1.29	0	-	0	-	N/A	-	-
Taipei Branch of Deutsche Bank in custody for Maybank Singapore	34,718,000	1.18	0	-	0	-	N/A	-	-



2.9 The number of Shares and the Consolidated Shareholding Percentage of an Enterprise held by the Company, the Company’s Directors and officers and the Enterprises Controlled by the Company directly or indirectly

March 31, 2025 (Unit: Shares)

Affiliated Company	Ownership by the Company		Ownership by Directors, Officers or the enterprises controlled by the Company directly or indirectly		Total Ownership	
	Number of shares	Ratio (%)	Number of shares	Ratio (%)	Number of shares	Ratio (%)
Wealthplus Holdings Limited	9,222,000	100.00	0	-	9,222,000	100.00
Win Fortune Investments Limited	100,000	100.00	0	-	100,000	100.00
Windsor Entertainment Co., Limited	7,100,000	100.00	0	-	7,100,000	100.00
Pou Shine Investments Co., Limited	133,094,460	100.00	0	-	133,094,460	100.00
Pan Asia Insurance Services Co., Limited	Note	100.00	Note	-	Note	100.00
Barits Development Corporation	357,895,636	99.49	459,860	0.13	358,355,496	99.62
Pou Yuen Technology Co., Limited	30,456,252	97.82	619,220	1.99	31,075,472	99.81
Pro Arch International Development Enterprise Inc.	20,000,000	100.00	0	-	20,000,000	100.00
Pou Yii Development Co., Limited	7,875,000	15.00	39,375,000	75.00	47,250,000	90.00
Wang Yi Construction Co., Limited	367,305	7.82	4,218,250	89.75	4,585,555	97.57
Ruen Chen Investment Holding Co., Limited	6,595,300,000	20.00	0	-	6,595,300,000	20.00
Nan Shan Life Insurance Co., Ltd.	10,634	-	27,259,435	0.19	27,270,069	0.19

Note: the company is a limited company.



III. CAPITAL OVERVIEW

3.1 Capital and Shares

(1) Share Capital

A. Sources of Share Capital

Unit: NT\$/Shares

Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
1992.05	10	150,000,000	1,500,000,000	133,116,000	1,331,160,000	—	—	—
1993.12	10	185,000,000	1,850,000,000	159,975,200	1,599,752,000	Note 1	—	—
1994.08	10	185,000,000	1,850,000,000	183,971,480	1,839,714,800	Note 2	—	—
1995.06	10	378,000,000	3,780,000,000	220,765,776	2,207,657,760	Note 3	—	—
1996.09	10	378,000,000	3,780,000,000	264,918,931	2,649,189,310	Note 4	—	—
1997.06	10	496,500,000 (including convertible corporate bonds of 50 million shares)	4,965,000,000 (including convertible corporate bonds of NT\$ 500 million)	357,640,556	3,576,405,560	Note 5	—	—
1998.02	10	496,500,000 (including convertible corporate bonds of 50 million shares)	4,965,000,000 (including convertible corporate bonds of NT\$ 500 million)	378,972,570	3,789,725,700	Note 6	—	—
1998.05	10	1,133,500,000 (including convertible corporate bonds of 200 million shares)	11,335,000,000 (including convertible corporate bonds of NT\$2 billion)	568,458,855	5,684,588,550	Note 7	—	—
1998.06	80	1,133,500,000 (including convertible corporate bonds of 200 million shares)	11,335,000,000 (including convertible corporate bonds of NT\$2 billion)	607,930,915	6,079,309,150	Note 8	—	—
1999.07	10	1,133,500,000 (including convertible corporate bonds of 200 million shares)	11,335,000,000 (including convertible corporate bonds of NT\$2 billion)	851,103,280	8,511,032,800	Note 9	—	—
2000.01	conversion price 67.05	1,133,500,000 (including convertible corporate bonds of 200 million shares)	11,335,000,000 (including convertible corporate bonds of NT\$2 billion)	856,421,995	8,564,219,950	Note 10	—	—
2000.05	conversion price 67.05	1,133,500,000 (including	11,335,000,000 (including	875,762,784	8,757,627,840	Note 11	—	—



Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
		convertible corporate bonds of 200 million shares)	convertible corporate bonds of NT\$2 billion)					
2000.07	10	2,303,500,000 (including convertible corporate bonds of 200 million shares)	23,035,000,000 (including convertible corporate bonds of NT\$ 2 billion)	1,229,174,619	12,291,746,190	Note 12	—	—
2001.07	10	2,303,500,000 (including convertible corporate bonds of 200 million shares)	23,035,000,000 (including convertible corporate bonds of NT\$ 2 billion)	1,352,092,080	13,520,920,800	Note 13	—	—
2002.07	10	2,303,500,000 (including convertible corporate bonds of 200 million shares, employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	23,035,000,000 (including convertible corporate bonds of NT\$ 2 billion, employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$2.5 billion)	1,632,582,229	16,325,822,290	Note 14	—	—
2003.07	10	3,028,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	30,280,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	1,884,799,453	18,847,994,530	Note 15	—	—
2004.07	10	3,475,000,000 (including employee share options, preferred share options or	34,750,000,000 (including employee share options, preferred share option or	2,089,733,386	20,897,333,860	Note 16	—	—



Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
		corporate bonds with options available for subscription in the amount of 250 million shares)	corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)					
2004.10	10	3,475,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	34,750,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,093,362,386	20,933,623,860	Note 17	—	—
2005.01	10	3,475,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	34,750,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,093,673,386	20,936,733,860	Note 18	—	—
2005.04	10	3,475,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	34,750,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,094,816,386	20,948,163,860	Note 19	—	—
2005.07	10	3,475,000,000 (including employee share options, preferred share options or corporate bonds with options available for	34,750,000,000 (including employee share options, preferred share options or corporate bonds with options available for	2,095,583,386	20,955,833,860	Note 20	—	—



Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
		subscription in the amount of 250 million shares)	subscription in the amount of NT\$ 2.5 billion)					
2005.07	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,304,788,816	23,047,888,160	Note 21	—	—
2005.10	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,305,430,816	23,054,308,160	Note 22	—	—
2006.02	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,305,792,816	23,057,928,160	Note 23	—	—
2006.04	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share option or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,307,207,816	23,072,078,160	Note 24	—	—



Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
2006.07	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,307,985,816	23,079,858,160	Note 25	—	—
2006.09	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,435,012,336	24,350,123,360	Note 26	—	—
2006.10	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,438,056,336	24,380,563,360	Note 27	—	—
2007.01	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,442,685,746	24,426,857,460	Note 28	—	—
2007.05	10	3,800,000,000 (including employee share	38,000,000,000 (including employee share	2,445,245,915	24,452,459,150	Note 29	—	—



Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
		options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)					
2007.07	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,447,329,695	24,473,296,950	Note 30	—	—
2007.08	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,511,101,130	25,111,011,300	Note 31	—	—
2007.10	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,511,559,987	25,115,599,870	Note 32	—	—
2008.01	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds	38,000,000,000 (including employee share options, preferred share options or corporate bonds	2,511,853,987	25,118,539,870	Note 33	—	—



Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
		with options available for subscription in the amount of 250 million shares)	with options available for subscription in the amount of NT\$ 2.5 billion)					
2008.04	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,513,606,987	25,136,069,870	Note 34	—	—
2008.07	10	3,800,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 250 million shares)	38,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 2.5 billion)	2,514,528,987	25,145,289,870	Note 35	—	—
2008.08	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,788,960,495	27,889,604,950	Note 36	—	—
2008.10	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the	2,789,925,495	27,899,254,950	Note 37	—	—



Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
		amount of 300 million shares)	amount of NT\$ 3 billion)					
2009.01	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,740,005,495	27,400,054,950	Note 38	—	—
2009.04	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,712,567,495	27,125,674,950	Note 39	—	—
2009.05	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,705,567,495	27,055,674,950	Note 40	—	—
2009.08	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,842,785,728	28,427,857,280	Note 41	—	—



Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
2010.01	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,843,084,728	28,430,847,280	Note 42	—	—
2010.04	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,843,109,728	28,431,097,280	Note 43	—	—
2010.08	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,899,105,922	28,991,059,220	Note 44	—	—
2010.10	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,899,755,922	28,997,559,220	Note 45	—	—
2011.04	10	4,500,000,000 (including	45,000,000,000 (including	2,900,061,922	29,000,619,220	Note 46	—	—



Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
		employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)					
2011.07	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,900,435,922	29,004,359,220	Note 47	—	—
2011.10	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,908,638,922	29,086,389,220	Note 48	—	—
2012.01	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,924,146,922	29,241,469,220	Note 49	—	—
2012.05	10	4,500,000,000 (including employee share options, preferred share options or	45,000,000,000 (including employee share options, preferred share options or	2,940,283,922	29,402,839,220	Note 50	—	—



Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
		corporate bonds with options available for subscription in the amount of 300 million shares)	corporate bonds with options available for subscription in the amount of NT\$ 3 billion)					
2012.07	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,941,665,922	29,416,659,220	Note 51	—	—
2012.10	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,943,184,922	29,431,849,220	Note 52	—	—
2013.04	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,943,780,104	29,437,801,040	Note 53	—	—
2013.07	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for	2,944,137,213	29,441,372,130	Note 54	—	—



Year/ Month	Issued Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital injection by assets other than cash	Other
		subscription in the amount of 300 million shares)	subscription in the amount of NT\$ 3 billion)					
2015.10	10	4,500,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of 300 million shares)	45,000,000,000 (including employee share options, preferred share options or corporate bonds with options available for subscription in the amount of NT\$ 3 billion)	2,946,787,213	29,467,872,130	Note 55	—	—

- Note 1: Approval for capital increase in the amount of NT\$ 268,592,000 based on earnings (including employee bonus NT\$2,360,000): The 03 August 1993 Taiwan-Finance-Securities Letter, No. 29888.
- Note 2: Approval for capital increase in the amount of NT\$ 239,962,800 based on earnings: The 29 August 1994 Taiwan-Finance-Securities Letter, No. 32085.
- Note 3: Approval for capital increase in the amount of NT\$ 367,942,960 based on earnings: The 29 June 1995 Taiwan-Finance-Securities Letter, No. 37682.
- Note 4: Approval for capital increase in the amount of NT\$ 441,531,550 based on earnings: The 17 September 1996 Taiwan-Finance-Securities Letter, No. 56736.
- Note 5: Approval for capital increase in the amount of NT\$ 927,216,250 based on earnings: The 24 May 1997 Taiwan-Finance-Securities Letter, No. 41551.
- Note 6: Approval for capital increase in the amount of NT\$ 213,320,140 based on earnings: The 25 November 1997 Taiwan-Finance-Securities Letter, No. 81051.
- Note 7: Approval for capital increase in the amount of NT\$ 1,894,862,850 based on earnings: 07 May 1998 Taiwan-Finance-Securities Letter, No. 38354.
- Note 8: Approval for capital increase in the amount of NT\$ 394,720,600 based on earnings: 02 June 1998 Taiwan-Finance-Securities Letter, No. 37461.
- Note 9: Approval for capital increase in the amount of NT\$ 1,823,792,740 based on earnings: The 05 July 1999 Taiwan-Finance-Securities Letter, No. 61108. ; capital increase in the amount of NT\$ 607,930,910 based on capital reserve.
- Note 10: Approval for the issuance of 5,318,715 (NT\$ 53,187,150) new shares based on convertible corporate bonds: The 19 January 2000 Economics-Business Letter, No. 08910076.
- Note 11: Approval for the issuance of 19,340,789 (NT\$ 193,407,890) new shares based on convertible corporate bonds: The 12 May 2000 Economics-Business Letter, No. 089114934.
- Note 12: Approval for capital increase in the amount of NT\$ 2,658,355,570 (including employee bonus NT\$ 31,067,220) based on earnings: The 15 July 2000 Taiwan-Finance-Securities Letter, No. 60739 ; capital increase in the amount of NT\$ 875,762,780 based on capital reserve.
- Note 13: Approval for capital increase in the amount of NT\$ 1,229,174,610 based on capital reserve: The 20 July 2001 Taiwan-Finance-Securities Letter, No. 147283.
- Note 14: Approval for capital increase in the amount of NT\$ 1,452,809,410 (including employee bonus NT\$ 100,717,330) based on earnings: The 05 July 2002 Taiwan-Finance-Securities Letter, No. 910137022 ; capital increase in the amount of NT\$1,352,092,080 based on capital reserve.
- Note 15: Approval for capital increase in the amount of NT\$ 2,522,172,240 (including employee bonus NT\$ 73,298,900) based on earnings: The 04 July 2003 Taiwan-Finance-Securities Letter, No. 0920129891.
- Note 16: Approval for capital increase in the amount of NT\$ 2,049,339,330 (including employee bonus NT\$ 164,539,880)



- based on earnings: The 22 July 2004 Financial-Supervisory-Securities Letter, No. 0930132871.
- Note 17: Approval for issuance of 3,629,000 (NT\$ 36,290,000) new shares based on employee share options: The 20 October 2004 Economic-Authorized-Business Letter, No. 0930119770.
- Note 18: Approval for issuance of 311,000 (NT\$ 3,110,000) new shares based on employee share options: The 24 January 2005 Economic-Authorized-Business Letter, No. 09401010910.
- Note 19: Approval for issuance of 1,143,000 (NT\$ 11,430,000) new shares based on employee share options: The 19 April 2005 Economic-Authorized-Business Letter, No. 09401066360.
- Note 20: Approval for issuance of 767,000 (NT\$7,670,000) new shares based on employee share options: The 21 July 2005 Economic-Authorized-Business Letter, No. 09401138550.
- Note 21: Approval for capital increase in the amount of NT\$ 2,092,054,300 (including employee bonus NT\$ 42,396,910) based on earnings: The 22 July 2005 Financial-Supervisory-Securities Letter, No. 0940129791.
- Note 22: Approval for issuance of 642,000 (NT\$ 6,420,000) new shares based on employee share options: The 28 October 2005 Economic-Authorized-Business Letter, No. 09401216290.
- Note 23: Approval for issuance of 362,000 (NT\$ 3,620,000) news shares based on employee share options: The 8 February 2006 Economic-Authorized-Business Letter, No. 09501022210.
- Note 24: Approval for issuance of 1,415,000 (NT\$ 14,150,000) new shares based on employee share options: The 21 April 2006 Economic-Authorized-Business Letter, No. 09501071090.
- Note 25: Approval for issuance of 778,000 (NT\$ 7,780,000) new shares based on employee share options: The 24 July 2006 Economic-Authorized-Business Letter, No. 09501156300.
- Note 26: Approval for capital increase in the amount of NT\$ 1,270,265,200 based on earnings: The 21 September 2006 Economic-Authorized-Business Letter, No. 09501211980.
- Note 27: Approval for issuance of 3,044,000 (NT\$ 30,440,000) new shares based on employee share options: The 20 October 2006 Economic-Authorized-Business Letter, No. 09501237370.
- Note 28: Approval for issuance of 2,441,000 (NT\$ 24,410,000) new shares based on employee share options and issuance of 2,188,410 (NT\$ 21,884,100) new shares based on convertible corporate bonds: The 23 January 2007 Economic-Authorized-Business Letter, No. 09601017360.
- Note 29: Approval for issuance of 2,087,000 (NT\$ 20,870,000) new shares based on employee share options and issuance of 473,169 (NT\$ 4,731,690) new shares based on convertible corporate bonds: The 10 May 2007 Economic-Authorized-Business Letter, No. 09601101980.
- Note 30: Approval for issuance of 1,930,000 (NT\$ 19,300,000) new shares based on employee share options and issuance of 153,780 (NT\$ 1,537,800) new shares based on convertible corporate bonds: The 25 July 2007 Economic-Authorized-Business Letter, No. 09601173570.
- Note 31: Approval for capital increase in the amount of NT\$ 637,714,350 (including employee bonus NT\$151,505,170) based on earnings: The 06 August 2007 Economic-Authorized-Business Letter, No. 09601187590.
- Note 32: Approval for issuance of 273,000 (NT\$ 2,730,000) new shares based on employee share options and issuance of 185,857 (NT\$ 1,858,570) new shares based on convertible corporate bonds: The 19 October 2007 Economic-Authorized-Business Letter, No. 09601257130.
- Note 33: Approval for issuance of 294,000 (NT\$ 2,940,000) new shares based on employee share options: The 17 January 2008 Economic-Authorized-Business Letter, No. 09701012630.
- Note 34: Approval for issuance of 1,753,000 (NT\$ 17,530,000) new shares based on employee share options: The 17 April 2008 Economic-Authorized-Business Letter, No. 09701092370.
- Note 35: Approval for issuance of 922,000 (NT\$ 9,220,000) new shares based on employee share options: The 31 July 2008 Economic-Authorized-Business Letter, No. 09701187370.
- Note 36: Approval for capital increase in the amount of NT\$2,744,315,080 (including employee bonus NT\$273,216,100) based on earnings: The 21 August 2008 Economic-Authorized-Business Letter, No. 09701210880.
- Note 37: Approval for issuance of 965,000 (NT\$ 9,650,000) new shares based on employee share options: The 23 October 2008 Economic-Authorized-Business Letter, No. 09701265620.
- Note 38: Approval for issuance of 80,000 (NT\$ 800,000) new shares based on employee share options and cancellation of 50,000,000 (NT\$ 500,000,000) treasury shares: The 16 January 2009 Economic-Authorized-Business Letter, No. 09801011170.
- Note 39: Approval for issuance of 62,000 (NT\$ 620,000) new shares based on employee share options and cancellation of 27,500,000 (NT\$ 275,000,000) treasury shares: The 14 April 2009 Economic-Authorized-Business Letter, No. 09801074100.



- Note 40: Approval for cancellation of 7,000,000 (NT\$ 70,000,000) treasury shares: The 19 May 2009 Economic-Authorized-Business Letter, No. 0981098500.
- Note 41: Approval for capital increase by the issuance of 137,218,233 (NT\$ 1,372,182,330) new shares based on undistributed earnings and employee bonus: The 19 August 2009 Economic-Authorized-Business Letter, No. 09801187410.
- Note 42: Approval for capital increase by the issuance of 299,000 (NT\$ 2,990,000) new shares based on employee bonus: The 22 January 2010 Economic-Authorized-Business Letter, No. 09901012630.
- Note 43: Approval for issuance of 25,000 (NT\$ 250,000) new shares based on employee share options: The 20 April 2010 Economic-Authorized-Business Letter, No. 09901078520.
- Note 44: Approval for capital increase by the issuance of 55,996,194 (NT\$ 559,961,940) new shares based on undistributed earnings: The 11 August 2010 Economic-Authorized-Business Letter, No. 09901177910.
- Note 45: Approval for issuance of 650,000 (NT\$ 6,500,000) new shares based on employee share options: The 21 October 2010 Economic-Authorized-Business Letter, No. 09901237790.
- Note 46: Approval for issuance of 306,000 (NT\$ 3,060,000) new shares based on employee share options: The 18 April 2011 Economic-Authorized-Business Letter, No. 10001075180.
- Note 47: Approval for issuance of 374,000 (NT\$ 3,740,000) new shares based on employee share options: The 15 July 2011 Economic-Authorized-Business Letter, No. 1000116580.
- Note 48: Approval for issuance of 8,203,000 (NT\$82,030,000) new shares based on employee share options: The 26 October 2011 Economic-Authorized-Business Letter, No. 10001246280.
- Note 49: Approval for issuance of 15,508,000 (NT\$ 155,080,000) new shares based on employee share options: The 18 January 2012 Economic-Authorized-Business Letter, No. 10101011620.
- Note 50: Approval for issuance of 16,137,000 (NT\$ 161,370,000) new shares based on employee share options: The 01 May 2012 Economic-Authorized-Business Letter, No. 10101077780.
- Note 51: Approval for issuance of 1,382,000 (NT\$ 13,820,000) new shares based on employee share options: The 17 July 2012 Economic-Authorized-Business Letter, No. 10101145420.
- Note 52: Approval for issuance of 1,519,000 (NT\$ 15,190,000) new shares based on employee share options: The 26 October 2012 Economic-Authorized-Business Letter, No. 10101214180.
- Note 53: Approval for issuance of 595,182 (NT\$5,951,820) new shares based on employee share options: The 22 April 2013 Economic-Authorized-Business Letter, No. 10201074260.
- Note 54: Approval for issuance of 357,109 (NT\$3,571,090) new shares based on employee share options: The 29 July 2013 Economic-Authorized-Business Letter, No. 10201144050.
- Note 55: Approval for issuance of 2,650,000 (NT\$26,500,000) new shares based on employee share options: The 21 October 2015 Economic-Authorized-Business Letter, No. 10401221220.



B. Type of Shares:

March 31, 2025; Unit: shares

Type of shares	Authorized Capital			Notes
	Issued and outstanding shares	Unissued shares	Total	
Common shares	2,946,787,213	1,553,212,787	4,500,000,000	TWSE listed shares

C. Information for Shelf Registration: N/A.

(2) List of major shareholders

March 31, 2025

Name of major shareholders	Shares	Number of shares held (shares)	Ratio (%)
PC Holdings Limited		213,270,710	7.24
Chuan Mou Investments Co., Limited		163,425,022	5.55
Red Magnet Developments Limited		135,594,174	4.60
Taishin International Bank Trust Account by Huang, Shu-Man		101,951,385	3.46
Hua Nan Bank in custody for Yuanta Taiwan Value High Dividend ETF		76,313,000	2.59
Capital Securities Corporation in custody for Unicorn Securities Company Limited		54,826,516	1.86
Sales department of Standard Chartered Bank (Taiwan) Limited in custody for Furstentum Liechtenstein bank		50,302,174	1.71
Huang, Shu-Man		42,827,420	1.45
Sales department of Standard Chartered Bank (Taiwan) Limited in custody for Standard Chartered Bank (Hong Kong) Limited- Administrator JPMORGAN		38,114,000	1.29
Taipei Branch of Deutsche Bank in custody for Maybank Singapore		34,718,000	1.18



(3) The Company's dividend policy and implementation

A. Dividend policy:

Profits may be distributed after taking into consideration the future development plan, financial condition, business and operational status, and so on. The ratio of distribution shall be not less than 30% of the net income for each fiscal year, and a portion for cash dividend shall be not less than 30% of total distribution. If there are material changes in the operating environment, the Company can adjust the ratio and amounts of distribution of profits.

B. Distribution of dividends to be resolved at the Board of Directors' meeting:

The Board of Directors is authorized to decide the distribution of partial or full dividends in cash, and report the decision at the shareholders' meeting in accordance with Article 23-1 of the Company's "Articles of Incorporation".

The board of directors has resolved to distribute 2024 earnings in cash dividends of NT\$1.7 per share on April 17, 2025, and reported to the shareholders meeting on May 29, 2025.

(4) The impact of the issuance of bonus shares proposed in the present shareholders' meeting upon the Company's business performance and earnings per share (EPS):

The Company has no plan for the free allotment of shares for this fiscal year. This item does not apply.

(5) Employees' compensation, and Directors' remuneration

A. The percentage or scope of Employees' compensation, and Directors' remuneration as set forth under the Articles of Incorporation:

According to the Company's "Articles of Incorporation" Article 23, The Company shall appropriate 1% to 5% of the profit of the fiscal year (profit shall mean the income before income tax less Employees' compensation, and Directors' remuneration) for Employees' compensation and may appropriate no higher than 3% of the same profit as Directors' remuneration. Such Employees' compensation may be in the form of stock or cash by the resolution of the board of Directors. Employees eligible for such compensation may include those of the Company's subsidiaries meeting certain conditions.

In the presence of accumulated loss, the Company shall allocate an amount to recover such loss before appropriating any Employees' compensation and Directors' remuneration in accordance with the ratios prescribed by the preceding paragraph.

B. The basis of estimated Employees' compensation, and Directors' remuneration in this fiscal period, the calculation basis of the compensation for employees in the form of stock, and the accounting policy of addressing any discrepancy between the amount of actual allocation and the estimated amount:

The amount of Employees' compensation and Directors' remuneration is estimated based on past experiences and amount to be distributed will be estimated and recognized as expenses in current financial report. In the event of significant change to the distributed amount (i.e., the change of the amount reaches the threshold to restate a financial report under Article 6 of the "Securities and Exchange Act Enforcement Rules", which is the amount exceeding NT\$10,000,000 and reaching 1% of the net operating revenue) determined by the board of Directors after issuance of such financial report, the expenses recognized for that year (the year when the employee compensation is recognized as expenses) shall be adjusted accordingly. If the change does not meet the threshold of significant change, such change may be addressed as changes in accounting estimates, and be recognized in the following year. If the amount is also changed in the following year, such change shall be addressed as changes in accounting estimates on the date of the board of Directors' meeting, and be recognized in the following year.



C. Information of distribution of remuneration adopted by the board of Directors' meeting:

(A) The Company's board of Directors has resolved on March 12, 2025 to distribute the profit in 2024 (the profit refers to the amount of pre-tax profit before distribution of Employees' compensation, and Directors' remuneration) as employees' compensation and directors' remuneration; the addressing of the discrepancy between the resolved amount and the estimated amount recognized as expenses as follows:

(in NT\$ thousands)

	Employees' compensation	Remuneration for Directors	Status of addressing the discrepancy
Estimated amount in the year the remuneration is recognized as expenses (A)	285,984	142,992	No discrepancy
Amount resolved at the Board of Directors' Meeting (B)	285,984	142,992	
Discrepancy (B)-(A)	0	0	

(B) The amount of Employees' compensation distributed in the form of shares and its percentage among the aggregate amount of after-tax net income in the separated financial report and the amount of Employees' compensation:

The Company's board of Directors has resolved on March 12, 2025 to distribute the 2024 employees' compensation and directors' remuneration by cash, therefore not applicable.

D. The remuneration actually distributed to employees and directors in the preceding year (including number, amount and price of shares distributed); if there is discrepancy between the distributed remuneration and the remuneration proposed to be distributed, the amount and reason of the discrepancy and the status of addressing such discrepancy:

The Company's distribution of remuneration to the employees and directors with the profit in 2023 (the profit refers to the amount of pre-tax profit before distribution of Employees' compensation, and Directors' remuneration), and addressing of the discrepancy between the actually distributed amount and the estimated amount recognized as expenses as follows:

(in NT\$ thousands)

	Employees' compensation	Remuneration for Directors	Status of addressing the discrepancy
Estimated amount in the year the remuneration is recognized as expenses (A)	189,119	94,560	No discrepancy
Amount actually distributed (B)	189,119	94,560	
Discrepancy (B)-(A)	0	0	

(6) Shares repurchased by the Company: N/A.



3.2 Issuance of Corporate Bonds: *N/A.*

3.3 Issuance of Preferred Shares: *N/A.*

3.4 Issuance of Overseas Depository Receipts: *N/A.*

3.5 Issuance of Employee Share Options: *N/A.*

3.6 Issuance of New Restricted Employee Shares: *N/A.*

3.7 Status of New Share Issuance in Connection with Mergers and Acquisitions: *N/A.*

3.8 Implementation of Capital Utilization Plan: Up to the previous quarter of publication date of this annual report, the Company has not had any incomplete public offerings or private placements of securities, so there has no pending capital utilization plan or completed capital utilization plan whose benefit has not yet materialized.



IV. OPERATIONAL HIGHLIGHTS

4.1 Business Activities

(1) Scope of Business

A. Main Business

(A) Manufacturing of shoes business:

The Company is an original equipment manufacturer (OEM) and original design manufacturer (ODM) of footwear products, serving international brands such as Nike, adidas, Asics, New Balance, and Salomon. The Company primarily focuses on athletic shoes and also engages in the manufacturing of footwear components.

(B) Retail of sporting goods and wholesale business:

The Company operates in the retail of sporting goods and wholesale business across the Greater China region. Through flexible and comprehensive business models and sales channels, the Company act as an authorized distributor and reseller of footwear, apparel, and accessories for multiple well-known sports and leisure brands, providing consumers with a diverse selection of products and a personalized shopping experience.

(C) Other business:

The Company is engaged in the real estate development and tourist hotel operation to create the best value for the Company.

B. Revenue by Business

(In NT\$ thousands)

Year	2024		2023	
	Revenue	Ratio	Revenue	Ratio
Primary business				
Manufacturing of shoes	180,733,596	69%	157,726,049	64%
Retail of sporting goods and wholesale	82,157,958	31%	87,972,900	36%
Others	926,273	-	934,765	-
Total	263,817,827	100%	246,633,714	100%

C. Current Products and Services

The Company's current products include athletic shoes, casual shoes, outdoor shoes, sports sandals, and footwear components. The Company is also involved in retail of sporting goods and wholesale business, brand licensing, real estate development, and hotel operation.

D. New Product and Service for Development

The Company will continue investing into the development of advanced manufacturing processes and technologies, and promote the adoption and application of digital systems. At the same time, we will deepen our partnerships with our brand customers, and work together to jointly develop innovative high-quality footwear products that align with sustainability trends and meet diverse market demand.



The Company will also enhance the speed and flexibility of its manufacturing processes to provide more value-added services to brand customers. The following are our future research and development directions:

- (A) Improve equipment modularization and interface standardization, and develop automated equipment and manufacturing processes, allowing us to provide our brand customers with integrated manufacturing solutions tailored to their diverse requirements.
 - (B) Continue engaging in industry-academia collaborations, advancing 3D printing technologies and innovative designs capabilities. These efforts will be integrated with new innovative technologies such as simulated design analysis and virtual reality in order to better address the customized needs of each brand customer.
 - (C) Continue to actively collect, analyze, and manage data through digitalized manufacturing processes, progressing towards smart manufacturing.
 - (D) Develop innovative applications of smart and artificial intelligence technologies to enhance efficiency across the shoe manufacturing process.
 - (E) In line with global sustainability and environmental protection trends, we will expand the application of green technologies and the development of fully recyclable materials, and continue to make our production process greener by improving product recyclability and optimizing energy use, environmental monitoring, and carbon emissions management systems. We will also accelerate the adoption of these initiatives across our plants, reducing our overall carbon footprint and moving towards net zero carbon emissions.
 - (F) Continue to develop and adopt equipment with high safety standards, creating a workplace environment which prioritizes worker health and safety.
- (2) Industry Overview

A. Current Status and Developments of the Industry:

(A) Global Footwear Market

From a manufacturing perspective, the development of the footwear manufacturing industry has been heavily impacted by various factors including issues related to labor supply, land resources, industrial clusters, natural capital, and the sales market. As the business environment changes, the center of global footwear manufacturing has shifted from its early roots in Europe towards Asia. Based on data from the World Footwear Yearbook 2024, approximately 22.4 billion pairs of footwear were produced globally in 2023, representing a 6% decrease compared to the previous year. Excluding the pandemic years of 2020 and 2021, this figure marked the lowest level in nearly a decade, primarily due to weak consumer demand in major footwear markets. Despite this decline, Asia continued to dominate global footwear production, accounting for 87.1% of the total. Mainland China remained the world's largest footwear producer with a market share of 54.9%, while India's share increased to 11.6%, and Vietnam ranked third with 6.3%. Asia also dominated the industry as a consumer market, accounting for 54.7% of global footwear consumption in 2023, an increase of 1.5% from the previous year. This was followed by Europe and North America, with shares of 13.9% and 13.4% respectively. At the country level, mainland China remained the world's largest footwear consumer, despite a decline in its market share to 17.1%. In contrast, the United States experienced a significant drop in its share, falling to 9.4%, and was replaced by India, which became the world's second largest footwear consumer with a 12.4% share.



(B) Global Athletic Footwear Market

Statistical data from Sporting Goods Intelligence shows that the global branded sports shoe market has maintained steady growth over an extended period. Although the rate of sales growth slowed in 2023 due to excessive inventory in Western markets and weak retail traffic in mainland China, the market size continued to expand, reaching over US\$98 billion. The top five brands accounted for nearly 70% of total market share, revealing the highly concentrated nature of the industry and underscoring the influence of brand awareness on consumer behavior. In response, major brands actively focused on enhancing brand value through targeted marketing strategies and resource allocation to strengthen consumer loyalty and identification, thereby driving purchasing intent and behavior. In terms of manufacturing, most brands outsource production to professional footwear manufacturers. Globally, footwear manufacturing is currently concentrated in Southeast Asian countries such as Vietnam and Indonesia. Taiwan, once a major global footwear manufacturing hub, has since transitioned into a center for raw materials management and procurement to support overseas production, as the industry gradually moved overseas. At the same time, it has become a development center that aggregates R&D resources and promotes industrial innovation and upgrading, serving as an integrated platform that provides comprehensive solutions across the footwear industry value chain.

(C) Mainland China's Sporting Goods Market

The Company's retail of sporting goods and wholesale business operations are mainly based in Mainland China. With rising living standards, growing health awareness, and continued support from local sports policies, the sports industry has experienced sustained and healthy development. According to statistical data jointly released by the National Bureau of Statistics of mainland China and the General Administration of Sport of China, the total scale (total output) of the sports industry in mainland China reached RMB 3.7 trillion in 2023, while gross value added reached RMB 1.5 trillion. These figures represent year-on-year increases of 11.3% and 13.9%, respectively. Over the past decade, the industry's total output and gross value added grew at average annual rates of 13.2% and 15.4%, both higher than the growth rate of gross domestic product (GDP) during the same period. This reflects the industry's increasing contribution to economic growth. In terms of industry structure, the sports service sector includes the sale of sports goods, training and education, fitness and recreation, and sports venue management. This sector features a broad range of market segments and high levels of consumer participation, allowing it to account for 72.7% of the industry's gross value added in 2023, 2.1 percentage points higher than in the previous year. This indicates the growing mass appeal of the sports industry. The manufacturing of sporting goods and related products accounted for 25.7% of overall gross value-added, down 2.1 percentage points from the previous year. The construction of sports venues and facilities remained stable at 1.6%, unchanged from the previous year.

B. Relevance of upstream, midstream and downstream segments of the industry supply chain

(A) Manufacturing of shoes

Upstream: Textile/Leather/Plastics/Petroleum/Rubber

Midstream: Footwear Manufacturers

Downstream: Brand Companies

The footwear industry's upstream, midstream, and downstream sectors typically exhibit



interdependence but operate independently. The upstream sector consists of material suppliers that produce various raw materials and components used to manufacture different shoe models and parts. The midstream sector comprises footwear manufacturers responsible for product development and mass production. The downstream sector involves brand companies that commission footwear manufacturers to produce, and then sell through retailers to consumers.

As the cost of raw materials makes up the bulk of footwear manufacturing costs, the Company has long been actively engaged in vertically integrating upstream shoe materials industries. Apart from petrochemical materials, we are able to not only supply ourselves with almost all other footwear manufacturing materials such as leather, molds, insoles, adhesives, and paper boxes/cartons, but are even able to sell these materials to other manufacturers. This close integration between the upstream and midstream footwear manufacturing supply chain allows us to effectively control the supply of shoe materials while also raising the competitive barrier for the industry. Additionally, the Company has continued to improve production technologies, optimize operating processes, and strengthen R&D capabilities. We have established exclusive R&D centers for our major brand customers, and have worked closely together with these customers from the product development to the prototyping stage. Through providing these comprehensive solutions, we have become a long-term partner of many brand owners. These above advantages have allowed the Company to successfully integrate the upstream, midstream, and downstream footwear industry, creating a relatively complete supply chain system and establishing unique competitive advantages.

(B) Retail of sporting goods and wholesale business

Upstream: Brand Companies/Sporting Goods Manufacturers/Sporting Goods wholesalers

Midstream: Sporting Goods Retailers

Downstream: Consumers

Sporting goods retailers operate within the midstream segment of the distribution industry. They serve as a critical link between upstream brands, sporting goods manufacturers, and wholesalers by establishing comprehensive sales networks, and directly delivering products and services to downstream consumers. This enables products to enter markets quickly and effectively. Upstream companies can thus focus on product design, R&D, and production, ensuring quality control and timely delivery of goods. Meanwhile, downstream consumers benefit from convenient and diverse sales platforms that offer detailed product information and a smooth shopping experience. This division of labor effectively facilitates the operation and development of the overall industry.

In the face of a rapidly changing business environment, the Company has leveraged competitive advantages in retail operations and digital innovation to closely monitor market dynamics and gain deep insights into consumer trends, allowing us to effectively meet a broad range of customer needs. The Company continues to innovate its business model, promote the integration of online and offline resources, and actively build a seamless retail ecosystem that encompasses all sales channels. With the advancement of digital technology, we have also adopted big data applications and analysis to better understand and predict consumer behavior, allowing us to optimize our product portfolio and provide personalized shopping experiences. The Company has also incorporated business intelligence systems and adopted flexible procurement strategies to monitor real-time sales and implement precise inventory management, striving to comprehensively improve operational efficiency and management effectiveness.



C. Product Development Trends

(A) Digital innovation toward smart manufacturing

Traditionally, the footwear industry has been regarded as labor-intensive due to the challenges of standardizing and automating working procedures, often relying heavily on manual operations. However, as labor costs continue to rise, digital applications emerge and product lifecycles shorten, automation and intelligence bring new opportunities for improving overall business value and accelerating digital transformation in the footwear industry.

Driven by customer demands for innovation in R&D, supply chain management, and production processes, brand companies, footwear manufacturers, and footwear machine/material suppliers are all constantly seeking ways to transform and upgrade the value chain. Through the integration of industry knowledge and key data supported by equipment and high-quality materials, artificial intelligence technologies, digital tools and dynamic interconnection systems are utilized to develop agile and flexible production models.

In today's globally competitive business environment, smart manufacturing presents new development possibilities for the footwear industry. It redefines operational structure and value creation processes, accelerates product development, optimizes collaboration within the supply chain, and promotes technological innovation and industrial upgrading. This integration of digital information across both production and retail stages improves responsiveness in operational decision-making, demonstrates business resilience, and solidifies competitive advantage in the new digital era.

(B) Product diversification

The primary function of sports shoes is to prevent sports injuries and enhance athletic performance. New product lines are continuously being introduced, incorporating advanced materials and manufacturing processes with the latest sports technologies. In addition to offering a diverse range of exterior designs, these shoes also provide specialized features that support athletes in pushing their limits during competition. For example, Nike's Blueprint Pack includes 13 different product types, covering categories such as track and field, basketball, football, and running. The series integrates innovative Air technology to enhance both comfort and performance.

In recent years, as environmental awareness has increased, sporting goods brands have actively pursued a balance between performance and sustainability in the footwear products. For example, the MIRAI future sustainability series from Asics features shoes with uppers and midsoles manufactured using a dye-free process, greatly reducing both carbon emissions and water consumption. adidas has also launched its Originals Sustainability series based on the concept of "reduce, reuse and recreate". The uppers for these shoes are made from 70% recyclable materials, the soles incorporate natural rubber and 10% waste rubber, and the shoe boxes are made out of recycled materials from discarded packaging, demonstrating a strong and ongoing commitment to environmental responsibility.

Through integrating functional materials, sports technologies, sustainable concepts, and cross-industry collaborations, sports footwear has evolved to show off a rich variety of different styles, creating new added value for the products. Due to rapidly changing consumer needs, innovation remains the core driving force of market competition and continues to unlock new potential and development opportunities within the sports shoes sector.



(C) Precision marketing that focuses on consumer demand

As the consumer market continues to segment and personalized consumption trends gain momentum, retailers are facing an increasingly diverse and complex business environment. To accurately understand consumer behavior and performances, retail technologies such as data collection, computing analysis, digital marketing, and electronic payments have become essential tools. When integrated into innovative business models, these technologies can reshape the trading structure and redefine economic value of products and services.

Advancements in technology are accelerating the shift in consumer behavior from physical retail to online platforms. Retailers are therefore adopting more proactive strategies to expand their digital channels by integrating products, services, technologies, and social media platforms. They are striving to develop cross-channel sales networks, overcoming spatial and time limitations, and creating a seamless shopping model that combines both online and offline experiences. By engaging with consumers at every touchpoint and providing consistent, enjoyable shopping experiences, retailers aim to improve consumer's interactions and satisfaction.

The combined forces of data-driven insights, channel integration, and technological innovation are transforming the retail landscape. The industry is shifting from a product-centric sales model to a consumer-centric service approach, aiming to enhance the quality, creativity, and overall experience across content, formats and services. This transformation is creating comprehensive and efficient shopping journeys that meet the needs of diverse customer segments. These efforts are increasingly resonating with consumers and gaining widespread recognition.

D. Competition

The Company is a professional manufacturer of athletic, outdoor and casual footwear for internationally renowned brand customers. To meet the stringent demands of global customers in terms of quality, cost, delivery, and service, the Company continues to invest in key technologies and advanced manufacturing processes to provide efficient and flexible manufacturing solutions. With a strong focus on sustainable development, the Company integrates sustainability into its operational strategies. By leveraging a diversified production base and a relatively complete supply chain, it actively upholds environmental protection and social responsibility, thereby maintaining its leading position in the footwear industry.

Meanwhile, the Company's retail of sporting goods and wholesale business spans across the Greater China region. Benefiting from rising health awareness and the growing popularity of sports, the region's large population and substantial growth potential have attracted numerous market entrants, further intensifying competition. With years of deep cultivation in the sports lifestyle market in Greater China, the Company has established a sizable physical retail network and is actively expanding its digital channels. In addition, it maintains close partnerships with several well-known brands and remains committed to a consumer centric approach. By offering a diverse product portfolio and a seamless shopping experience, the Company has built a strong competitive edge in the retail of sporting goods and wholesale sector.

(3) Research and Development (R&D) Overview

A. R&D Expenses

The Company's R&D expenses in 2024 was NT\$4,703,020 thousand.

B. Technology and Product Innovation Achievements



The Company continued to refine its core footwear manufacturing equipment, modularized production lines, and flexible production processes to elevate the production capacities of its factories and support its progress toward the goal of net zero carbon emissions. In 2024, the Company achieved the following accomplishments:

- (A) Refined and modularize the development of automated equipment and processes, allowing for adjustment in production models based on different requirements and developed flexible production capacity.
- (B) Developed and introduced new technologies and new materials, including 3D printing technology, supercritical technology, and environmentally friendly materials that can be applied to mold development, in order to reduce production cycles, reduce the use of chemicals, and meet environmental standards.
- (C) Implemented the digitalization of equipment and integrated factory-side data collection with production equipment maintenance operations, improved operational efficiency and safety, actively moving towards the smart manufacturing goal.
- (D) Established a digital system for managing factory energy consumption and monitoring environmental factors, help the management team effectively achieve energy conservation and carbon reduction goals.

C. Future R&D Projects

The Company will continue to develop advanced processes, production technologies, and digital system to work with brand customers in rapidly and flexibly meeting market demand. The future directions for research and development are as follows:

- (A) Improve equipment modularization and interface standardization, and develop automated equipment and manufacturing processes, allowing us to provide our brand customers with integrated manufacturing solutions tailored toward their diverse requirements.
- (B) Continue engaging in industry-academia collaborations, advancing 3D printing technologies and innovative designs capabilities. These efforts will be integrated with new innovative technologies such as simulated design analysis and virtual reality in order to better address the customized needs of each brand customer.
- (C) Continue to actively collect, analyze, and manage data through digitalized manufacturing processes, progressing towards smart manufacturing.
- (D) Develop innovative applications for smart and artificial intelligence technologies to enhance efficiency across the shoe manufacturing process.
- (E) In line with global sustainability and environmental protection trends, we will expand the application of green technologies and the development of fully recyclable materials, and continue to make our production process greener by improving product recyclability, and optimizing energy use, environmental monitoring, and carbon emissions management systems. We will also accelerate the adoption of these initiatives across our plants, reducing our overall carbon footprint and moving towards net zero carbon emissions.
- (F) Continue to develop and adopt equipment with high safety standards, creating a workplace environment which prioritizes worker health and safety.

The future R&D expenses are estimated to account for 3% of the Company's annual operating revenue generated from manufacturing of shoes business.



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

A. Short-term Business Development Plans

- Manufacturing of shoes business
 - (A) To diversity production bases to flexibly adjust production capacity allocation.
 - (B) To provide value-added and innovative services to foster deeper cooperation with brand customers.
 - (C) To promote digital transformation and establish a sustainable business model.
 - (D) To strengthen supply flexibility and optimize overall operational efficiency.
- Retail of sporting goods and wholesale business
 - (A) To upgrade sales efficiency by accurately understanding of market demand.
 - (B) To accelerate the development of online services to create a seamless shopping experience.

B. Long-term Business Development Plans

- Manufacturing of shoes business
 - (A) To maintain excellence in product quality, innovation services, and comprehensive solutions to enhance the industry-leading position.
 - (B) To continue to invest in talent development, innovative R&D, and smart manufacturing to generate sustainability value.
- Retail of sporting goods and wholesale business
 - (A) To establish an end-to-end sales-to-manufacturing operating model.
 - (B) To integrate distribution channels, membership programs, and value added services to incorporate sports into daily life.

4.2 Market and Sales Overview

(1) Market Analysis

A. Sales of Products (Services) by Region

(In NT\$ thousands)

Geographical Information	2024		2023	
	Amount	Ratio	Amount	Ratio
Asia	153,750,286	58%	149,173,023	60%
America	49,525,374	19%	43,873,966	18%
Europe	45,908,086	17%	40,095,239	16%
Others	14,634,081	6%	13,491,486	6%
Total	263,817,827	100%	246,633,714	100%

B. Market Share

The Company has a diversified portfolio of brand customers and production bases, and is the world’s largest manufacturer of branded athletic, casual, and outdoor footwear. In 2024, the Company produced and shipped a total of 255.3 million pairs of shoes. Among total shipments, Mainland China, Indonesia and Vietnam accounted for 11%, 54% and 31% respectively, whereas Cambodia, Bangladesh, and Myanmar collectively accounted for 4%. The Company is also one of the leading retailers and



wholesalers of sporting goods in the Greater China region. As of December 31, 2024, it operated 3,448 directly-operated stores and continues to advance its digital channel development strategy, thereby accelerating the integration and synergy of its online and offline retail networks.

C. Market Forecast and Growth Potential

(A) Global Footwear and Sporting Goods Market

Footwear is a basic necessity, and the growth of the global footwear market is mainly driven by population expansion, rising income levels, evolving consumer awareness, and the influence of fashion trends, all of which continue to support steady market growth. Based on data from research firm Statista, global footwear sales are projected to exceed US\$500 billion in 2025, with an anticipated annual growth rate of approximately 2.27%. The compound annual growth rate (CAGR) between 2025 and 2029 is estimated at 2.37%, bringing the market size to around US\$555.3 billion by 2029. In the post-pandemic era, increased consumer focus on health and physical activity has further driven spending on sports-related products. According to the Sporting Goods 2025 report jointly published by the World Federation of the Sporting Goods Industry and McKinsey & Company, the global sporting goods market faced challenges in 2024, yet still achieved 6% growth compared to the previous year and maintained a 7% CAGR from 2021 to 2024. Although this is slightly below the pre-pandemic CAGR of 8%, the market continues to demonstrate a positive trajectory. Due to regional variations, the CAGR between 2024 and 2029 is forecast to be 6%, with total sales expected to reach US\$548 billion by 2029, indicating the market's potential for stable long-term growth.

(B) Mainland China's Sporting Goods Market

According to data from the National Bureau of Statistics of mainland China, total retail sales of consumer goods reached RMB 48.8 trillion in 2024, making a 3.5% increase compared to the previous year. Among these, retail sales of sports and entertainment products rose by 11.1% year-on-year, significantly outpacing the overall growth rate. Since 2014, mainland China has repeatedly stated a goal for the total output value of its sports industry to exceed RMB 5 trillion by 2025. To support this target, the government has introduced a series of policies over the years, including the Opinions of the State Council on Accelerating the Development of the Sports Industry and Promoting Sports Consumption in 2019, the 14th Five-Year Plan for Sport Development in 2021, the Work Plan on Sports to Stabilize the Economy and Boost Consumption in 2022, the Action Plan for Promoting the Construction of Outdoor Sports Facilities and Improving Services (2023-2025), and the 2024 Key Work Points for Large-Scale Sports in 2024. These policies have provided clear guidance for the development of the sports industry, facilitated a transition from investment-driven growth to consumption-led development, and provided strong support for long-term development of the sporting goods market. Furthermore, the number of people in mainland China who regularly participate in physical exercise increased from 360 million in 2014 to 550 million in 2023, growing from 26% to 39% of the total population. This reflects the increasing popularity of sports consumption and reinforces a positive outlook for sustained growth across related industries.

D. Competitive Advantages, Favorable and Unfavorable Factors of Development Objectives and Countermeasures



(A) Competitive Advantages and Favorable Factors

(a) Focus on improving competitive advantage

The Company continues to make improvements in its five core competitive advantages of speed, flexibility, innovation, quality, and sustainability to provide the most valuable total solutions in the face of constantly changing external environment.

i. **Speed:** By introducing automated equipment and making proper use of digital management system, the Company is able to monitor production in real time and increase efficiency to shorten product delivery time, and quickly respond to market demand.

ii. **Flexibility:** The Company will continue to develop advanced technologies, modularize existing production lines, and adopt a more flexible and agile production model to cope with the fast-changing procurement strategies of its brand customers.

iii. **Innovation:** The Company invests considerable resources into material development, process improvement and digital refinement each year to provide consumers with innovative and competitive products and services.

iv. **Quality:** The Company is committed to providing customers with stable and consistently high quality through a comprehensive control strategy.

v. **Sustainability:** Operating within the framework of corporate sustainability and in compliance with laws and regulations, the Company, actively pursues sustainable development, considers the interests of stakeholders, and systematically promotes a positive cycle of growth and prosperity.

(b) Expand end-to-end services

The Company has established a leading position in the market as a professional manufacturer of athletic, casual, and outdoor footwear, while also operating retail of sporting goods and wholesale business in the Greater China region. Over the years, the Company has provided unique strategic value to its partners by satisfying their diverse needs. In the future, we will continue to leverage big data analytics at the retail end, and combine these insights with our competitive production advantages at the manufacturing end, to create comprehensive and customized solutions. These initiatives are expected to generate business synergies and increase the added value of our products and services, creating a win-win situation with our partners.

(B) Unfavorable Factors and Countermeasures

(a) The impact of an accelerated industry change

The sports industry is undergoing rapid changes. With the advent of the digital era, new technologies will be more widely used in product development and shoemaking, whereas consumers tend to favor products that quickly reflect fashion trends and their individual characters. Enterprises will have to change their business mindsets from the old product-centric and cost-driven approach to a customer-centric and value-driven approach, providing value-adding and customized products, services, and solutions.

Countermeasures: The Company will continue to collaborate with brand customers, industry, government, academia, and research institutes on the basis of its five core competitive advantages. The Company will continue to invest in R&D resources in four directions: design, equipment, material, and process, with the goal of achieving the most valuable diverse



platform oriented toward smart manufacturing and innovative services.

(b) Fierce competition in the sporting goods market

As major sports brands, retailers and distributors actively expand their presence in the Greater China region, the competitive landscape of the industry has become increasingly intense. Any imbalance between supply and demand may result in weaker sales performance, deeper discounting, and higher inventory levels, which could adversely affect the Company's operating efficiency.

Countermeasures: The Company will adhere to a customer-centric business approach by promoting the integration of physical stores and digital channels to build a comprehensive retail ecosystem. In response to the evolving retail environment, the Company will closely monitor consumer trends and analyze market information to formulate better procurement strategies. Meanwhile, it will utilize digital tools and refined management to ensure a competitive edge in a rapidly changing market.

(2) Purposes of Main Products and Production Process

A. Product Purpose

Athletic shoes, outdoor shoes, casual shoes, and sports sandals manufactured by the Company are designated for various specialized sports activities or casual wear.

B. Production Process

Purchasing → Inspection → Storage → Requisition → Cutting → Sole Finishing → Preparation → Stitching → Warehousing → Lasting and Finishing → Packaging → Shipment

(3) Supply Situation for Main Raw Materials

The main materials required for footwear manufacturing are categorized into soles and uppers. The majority of sole materials, such as rubber and EVA foam, are manufactured by the Company, with a small proportion purchased from other suppliers. On the other hand, upper materials, including synthetic leather, fabric and natural leather, some are supplied by the Company's affiliates or purchased from domestic suppliers, while others are imported from overseas suppliers based on customer requests or other considerations, such as price and quality.

(4) Suppliers/Customers Who Accounted for 10% or More of Total Purchases (Sales) in one of the last two fiscal years and Analysis of Changes

A. Suppliers accounted for 10% or more of purchases for the last two fiscal years

(In NT\$ thousands)

Item No.	2023				2024			
	Name	Amount	Percentage of net purchases for the year	Relationship with the Company	Name	Amount	Percentage of net purchases for the year	Relationship with the Company
1	Supplier A	37,264,994	25	None	Supplier A	37,805,816	24	None
2	Supplier B	13,298,792	9	None	Supplier B	16,256,271	10	None
	Others	99,179,951	66		Others	101,945,130	66	
	Net purchases	149,743,737	100		Net purchases	156,007,217	100	



In 2023 and 2024, the top two suppliers accounted for approximately 20%~30% of the Company’s total purchases, while suppliers contributing less than 10% each collectively accounted for approximately 60~70% of the total purchases. This indicates that the Company maintains good cooperation with its key suppliers, ensuring a stable supply of materials, and has no issues of procurement concentration.

B. Customers accounted for 10% or more of sales for the last two fiscal years

(In NT\$ thousands)

Item No.	2023				2024			
	Name	Amount	Percentage of net sales for the year	Relationship with the Company	Name	Amount	percentage of net sales for the year	Relationship with the Company
1	Customer A	63,495,043	26	None	Customer A	66,080,138	25	None
2	Customer B	32,151,212	13	None	Customer B	44,501,934	17	None
	Others	150,987,459	61		Others	153,235,755	58	
	Net sales	246,633,714	100		Net sales	263,817,827	100	

In 2023 and 2024, there were two customers accounting for 10% or more of the Company’s sales, with the percentage of net sales attributed to these two customers remained relatively stable. Additionally, customers contributing less than 10% of net sales collectively accounted for 60% of the total sales. This indicates that the Company maintains stable cooperative relationships with its major customers and has no issues of sales concentration.

4.3 Human Resources

The information for number of employees, average age of employees, average years of service and education levels in 2023, 2024 and up to the publication date of this annual report is as below:

Year		2023	2024	As of March 31, 2025
Number of Employees	Direct labor	179,387	199,638	202,122
	Indirect labor	68,902	71,375	72,744
	Sales and Marketing	20,401	18,339	17,944
	Total	268,690	289,352	292,810
Average age of employees		35.35	35.37	36.32
Average years of service		8.73	8.50	8.52
Education distribution percentage (%)	Ph.D.	0.01	0.01	0.01
	Master’s degree	0.35	0.33	0.32
	Bachelor’s degree	8.27	7.77	7.72
	High school diploma	45.07	45.76	45.89
	Below high school diploma	46.30	46.13	46.06



4.4 Environmental Protection Expenditure

Any losses suffered by the Company in the most recent fiscal year and up to the publication date of this annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: There were no penalties for violating environmental protection laws and regulations in 2024.

4.5 Employee Relations

The Company places great value on employee relations, and demonstrates this through the following practices :

(1) Employee Benefits Measures

A. Employee Benefits Committee

The Company monthly appropriates 0.06% from its revenue and 0.5% from employee salary, as well as 40% from scrap sales as employee benefits funds. Employee benefits include childbirth and wedding cash gifts, bereavement payments, consolation payments for hospitalized employees, birthday cash gifts, Dragon Boat Festival cash gifts, Mid-Autumn Festival cash gifts, travel allowances, group insurance coverage, retirement condolences and other benefits.

B. Transportation

The Company provides commuter shuttle services and rents parking spaces for its employees.

C. Meals

The Company offers cafeterias, and meal services are provided according to the regulations of each factory area.

D. Club Activities

The Company offers a variety of club activities, including a badminton club, mountain climbing club, basketball club, yoga club, and more, to enrich employees' leisure time and enhance interaction and communication among them.

E. Vacation Time

The Company's leave policies are adopted in compliance with applicable laws and regulations, allowing employees to schedule their own leave as needed.

F. Other Benefits

(A) Celebrity presentations: The Company holds celebrity presentations from time to time and invites celebrities from various industries to share their insights on success and personal philosophies.

(B) Office massage service: The Company offers massage services provided by blind masseurs, which helps employees relax physically and mentally while also supporting charitable events.

(C) Family day: The Company values the employee's family lives and holds Family Day every year. Employees are invited to bring their families and share warm moments together. Through these activities, employees and their families can relax, enhance communication and friendship among employees, and strengthen employees' cohesion and sense of belonging.

(D) Health promotion activities: The Company organizes various health-related activities, including



weight management programs, Chinese medicine consultations, cancer screenings, bone density screenings, and health seminars to enhance employees' health awareness and further strengthen workplace health.

(E) Healthy walking app (iWorkout): The Company provides an integrated online workout app that encourages employees to exercise at any time, whether locally or overseas. In addition, departmental groups are organized to boost team morale, promote teamwork and build competitiveness.

G. The Company offers kindergartens and health clinics at its overseas factories, which provides proper child care and medical services to employees.

(2) Pension System

A. The Company adopted the “Employment Retirement Rules” for the purpose of providing care for employees after retirement, promoting employee relations and increasing work efficiency.

B. The Company is subject to the pension system under the “Labor Standards Act”, categorized as defined benefit pension plans, and has established a Supervisory Committee of Labor Retirement Reserve in accordance with the “Labor Standards Act”. The Company’s asset value of its retirement benefit plan and present value of the obligation from defined benefit pension plans are calculated by certified actuaries. In 2024, the Company set aside accrued pension liabilities at 0.95% of the total actual salaries of employees with service years under the old system, and 2% of these employees’ actual salaries was deposited monthly into the Company’s designated account at Taiwan Bank. According to Article 56-2 of the “Labor Standards Act”, the Company also calculated the pension fund deposited into the Company’s designated account at Taiwan Bank to confirm the amount was sufficient to pay the retirement pension for employee qualified to retire in 2024.

C. According to the “Labor Pension Act”, employees hired before June 30, 2005 and remained employed as of July 1, 2005 may choose to continue to be subject to the pension rules under the “Labor Standards Act”, or be subject to the pension system under the “Labor Pension Act” and retain their seniority accrued prior to the applicability of the “Labor Pension Act”. Employees hired after July 1, 2005 shall be solely subject to the pension system under the “Labor Pension Act”.

(3) Employee Learning and Training Programs

A. Training program is designed to align with the Company’s vision, operational goals, and organization needs by using systematic methods and tools to continuously improve employees’ professional and management skills, strengthen the corporate talent pool, and enable employees to grow with the Company as long-term partners. This approach aims to create greater value for the Company, achieve business goals, and facilitate devising future development plans. To strive for excellence, the Company’s training program is introduced into the TTQS (Talent Quality-management System), and the effectiveness of training is self-checked by reference to international ISO standards. It was formally applied to the Ministry of Labor for evaluation, and was recognized with a gold medal in the Enterprise & Organization Edition.

B. The Company’s annual training programs combines our mission, vision, business strategies and goals. We collect and understand the development focus and training requirements of each of our business department; continuously engage in innovation and introduce new technologies, concepts, and tools; encourage personal growth and organizational learning; offer diverse learning channels that encourage



self-paced learning. Simultaneously, we also consider employees' personal development plans, the training system of each level of function, relevant laws and regulations, and other professional skills certification courses, and formulate the "Training Program Management Guidelines" to facilitate the operation. Training Programs:

To deepen the facilitation on working skills for employees at each position and to realize the vision of lifelong learning, the Company plans various series of training courses for different stages according to its business strategy and core values. The Company constantly provides training for employees, from their employment to their expected retirement, to help them acquire the skills they need in performing their tasks and strengthening their capabilities for continued employment. By arranging training courses for employees, the Company expects to reach an internal consensus among employees so that they can recognize the organization value and furthermore contribute to achieve the best business performance for the Company.

- (A) Course for New Employees: The Company provides training courses for new employees to accelerate their understanding and recognition of the Company.
 - (B) Core Competency Course: A series training course focusing on the Company's core functions to establish a common language within the Company.
 - (C) Management Course: Management courses for various management levels are planned according to the management functions and competencies.
 - (D) Professional Course: Professional training courses for various functional attributes based on work contents and professional requirements.
 - (E) Self-Development Course: A range of soft power courses such as language training courses and in-house lecturers are provided to encourage a diversified development of employees.
- (4) The status of the agreement between labor and Company and the status of various employee rights and interests protection measures
- A. The Company's "work rules" clearly stipulate employee attendance, salary, welfare matters, performance management, rewards and punishments, termination of employment, occupational accident compensation and pensions, and safety and health policies, among others. These rules are approved for implementation through the labor-management meetings. All relevant regulations are disclosed on the Company's internal website, accessible to employees at any time. In addition, the Company regularly holds labor-management meetings and participates in union representative meetings to ensure full communicate with employee representatives.
 - B. The Company is currently in the process of evaluation with the labor union and has not yet signed a collective bargaining agreement.
- (5) A summary of certifications received by personnel who are involved in the financial transparency of the Company are as follows:
- A. Taiwan Certified Public Accountant: 10 persons at the Accounting Department.
 - B. USA Certified Public Accountant: 1 person at the Accounting Department.
 - C. Taiwan Certified Internal Auditor: 4 persons at the Accounting Department and 1 person at the Internal Audit Department.
 - D. Certified Information Systems Auditor: 1 person at the Accounting Department.
 - E. BS7799/ISO 27001 Lead Auditor: 1 person at the Accounting Department and 2 persons at the Internal Audit Department.
 - F. Project Management Professional (PMP): 5 persons at the Accounting Department.



- G. Jacksoft Certified CAATs Practitioner (JCCP): 11 persons at the Accounting Department and 3 persons at the Internal Audit Department.
 - H. Certified Management Accountant (CMA): 1 person at the Accounting Department.
 - I. General Competency Exam for corporate governance held by the Securities and Futures Institute: 1 person at the Accounting Department and 2 persons at the Internal Audit Department.
 - J. International Certified CAATs Practitioner (ICCP): 5 persons at the Accounting Department and 1 person at the Internal Audit Department.
 - K. General Competency Exam for Internal Control held by the Securities and Futures Institute: 2 persons at the Accounting Department and 1 person at the Internal Audit Department.
- (6) Code of Conduct and Ethics Policy
- A. The Company's Code of Conduct is adopted in compliance with local laws and regulations across all business areas, and it adheres to the guidelines of the International Labor Organization (ILO), Fair Labor Association (FLA), international brand customers, and other leading companies as core standards for all employees participating in the Company's business. The Code of Conduct has also been promoted and published on the Company's internal and external websites.
 - B. The Company's "Work Rules" outline the corporate culture, strong commitment to ethical behavior, and the rights and obligations of employees. The "Work Rules", along with other human resources policies, are available on the Company's intranet for employees' access from time to time.
 - C. Each employee of the Company shall sign a "Statement of Commitment to the Employee Ethical Conduct" and a "Non-Disclosure Agreement", and shall strictly comply with the rules governing conflicts of interest, fair dealing, protection and proper use of company assets, confidentiality and regulatory compliance, etc.
 - D. For the purpose of promoting legitimate use of personal data and avoid infringement of personality rights, the Company puts into practice "Matters to be informed on regarding personal data collection" and respects the rights of employees. The Company may only use the information collected after adequately informing the employees concerned of the purpose of collection, processing and use of personal information, and obtaining their written consent.
- (7) Precautionary Measures for Workplace Health and Safety
- The Company remains devoted to strengthening various health and safety management practices. It focused on the following aspects in 2024:
- A. Promote health awareness
- The Company regularly conducts employee health examinations and promotes the importance of physical activity through online courses and Pou Chen Healthy Exercise Circle activities. These efforts aim to help employees address health issues proactively, in turn reducing the risk of obesity and the common chronic conditions such as hypertension, hyperglycemia, and hyperlipidemia. In 2024, a total of 677 employees underwent health checkups, and further health management measures were implemented based on their results. Employees were classified into 4 categories, and the Company arranged for one-on-one health consultation and education sessions with physicians for each category. The Company also held seminars on topics such as "Good Oils for You" and "Traditional Chinese Medicine Liver Care", which received high praise from employees, earning an average satisfaction score of 4.8 out of 5. To further encourage healthy habits, the Company encourages employees to participate in the Pou Chen



Healthy Exercise Circle activities through the Walkii app, which includes tasks such as completing Pou Chen e-courses, power walking, and gym workouts. Employees can also track their own exercise activity through the app, helping them form good fitness habits. A total of 2,426 employees participated in these activities in 2024

B. Promote safety culture

The Company aimed for comprehensive participation and adopted a top-down approach with a focus on infrastructure, partnership system, and capacity building. It developed technical solutions for a number of issues including the life cycle of high-risk machines, BBS, high-risk operation instructions, risk maps, and risk assessments, guiding cross-departmental collaboration to expand the scope of safety management and to promote safety culture within the organizations.

C. Professional capacity building

A safety culture e-school has been established to deliver online courses in multiple languages for more efficient training of new employees. Employees ranging from on-site production workers, electricians, mechanics, infrared scanning and inspection personnel, environmental safety and health personnel, firefighters to managerial personnel (factory/building manager and above) are required to complete these courses to enhance factory safety management and to prevent risks in routine operations.

D. Machine safety management

Management practices have been developed and implemented for the entire life cycle of high-risk machines. These practices encompass safe installation and operation, procurement source review, on-site safety inspection, safe production, alteration management, machine relocation, and regular safety inspections to ensure safety in the installation and usage of machinery.

E. Construction operations management

Management practices for contractors' construction activities have been extended to cover the Company's construction activities, using uniform standards such as site entry control, hazard notification, special hazardous operation control, on-site supervision, and violation penalties. A third-party work site safety consultant has been engaged to enhance the safety of new construction projects since 2020.

F. Abnormal event management

Investigation and management procedures for occupational hazards and fire disasters have been standardized to ensure that accident reporting and follow-up tracking are duly implemented. The use of accident tree and fault tree has also been standardized so that the root cause and management opportunities can be accurately identified to avoid recurrence, with precautions taken in advance.

G. Complete fire prevention facilities:

The Company has established fire prevention design regulations. All new constructions, additions, and changes of use of the factory must be designed in accordance with the Company's regulations, and there is a unified management mechanism for construction, acceptance, and maintenance. The Company has also conducts audits on the construction quality and maintenance works from time to time. For solar power facilities, the Company developed a set of safety management system this year to ensure safe usage.

H. Enhancing the ability of firefighting teams

The Company has a total of 12 firefighting teams at its production bases. The Company has established standardized protocol for daily duty and physical training and periodically verifies them. The Company



also conducts joint drills with on-site emergency response team members according to the emergency response plan to strengthen emergency response capabilities.

I. ESH partnership system

On-site personnel have been trained to become ESH partners to assist in making timely improvements and proposals for near misses. A total of 8,030 partners have been deployed this year.

J. Safety visit:

Promote cross-division plant safety visits, allowing different plants and divisions to learn from each other, break down silos, and share knowledge. In 2024, a total of 28 different manufacturing plants participated in these visits, and a total of 14 meetings were held to share and exchange safety visit experiences. Following these meetings, 24 optimization assessments were launched to improve the working environment.

- (8) List any losses suffered by the Company in the most recent fiscal year and up to the publication date of this annual report due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

In 2024 and up to the publication date of this annual report, the Company's subsidiaries were fined NT\$40,000 by the Ministry of Labor for violations of Articles 24, and 30 of the Labor Standards Act. The details are summarized in the table below:

Disposition date	Disposition reference number	The articles of law violated	Substance of the legal violation	Content of the disposition
2024.05.22	Fu-Labor-No. 1130187283	Article 24 of the Labor Standards Article 30 of the Labor Standards	Overtime compensation was not paid as required by law Failure to record employees' attendance to the minute on a daily basis, or failure to provide attendance records as stipulated by regulations	Fine of NT\$40,000

Response measures: The Company is committed to safeguarding the rights and interests of both its employees and the organization, and remains in strict compliance with applicable labor laws and regulations. Moving forward, the Company will further strengthen communication regarding employment terms, actively promote awareness of labor regulations among employees, and ensure transparent communication of relevant policies to prevent potential labor disputes.

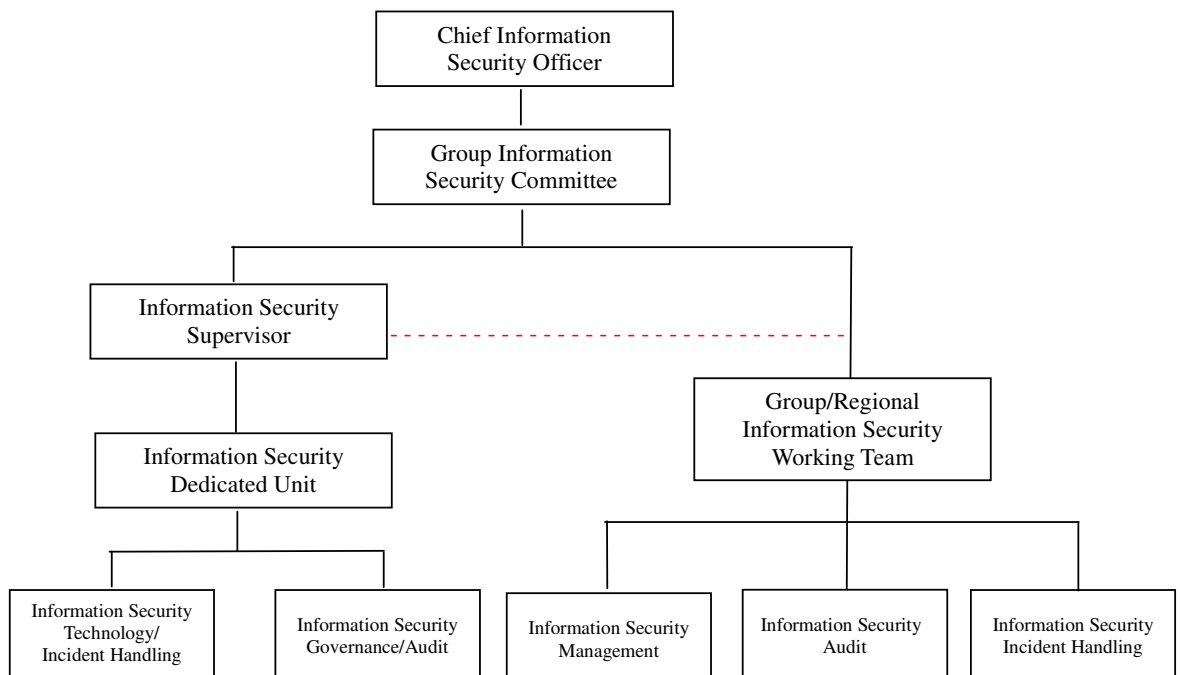


4.6 Cyber Security Management

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

A. Cyber security management strategy and framework

The Company has appointed the head of Information Department as the chief information security officer, convening senior management to establish the Group Information Security Committee to provide support, supervision, and decision-making for the cyber security management system. Since 2022, the Company has established an information security supervisor and dedicated unit, and formed an Information Security Working Team comprised of dedicated personnel and personnel assigned from various units within the Information Department, responsible for overseeing governance, technology, incident handling, and audits. We also conduct regular information security audits and continuously enhance employee awareness of information security, ensuring the proper functioning of our information security management system and keeping it up-to-date with current practices.



B. Cyber security policy

(A) Cyber security policy and objectives

The Company has adopted and introduced an Information Security Management System (ISMS) since 2013, in accordance with the international standard ISO 27001, developing appropriate and compliant information security system documentation and control measures. The purpose of the Company’s cyber security policy is to protect the continuous operational environment of information assets and systems managed and utilized by the Company’s computer information from internal and external intentional or accidental threats. This aims to ensure that relevant personnel, activities, and transactions comply, and to achieve the following objectives through the joint efforts of all employees:

- (a) Ensure the continuous operation of business activities and the stable use of information services provided.



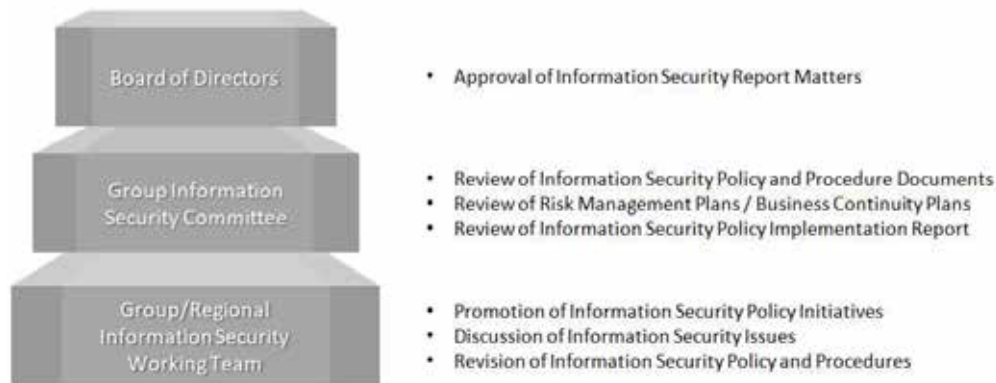
(b) Ensure the confidentiality, integrity, and availability of information assets, as well as the privacy of personal data.

- Confidentiality: Protecting operational and production-related information from unauthorized access.
- Integrity: Ensuring the completeness and accuracy of information to facilitate managerial decision-making.
- Availability: Building digital resilience to support operational stability.

(c) Establish a business continuity planning for information management and operations. Conduct regular reviews and continuous improvement of the cyber security management system. Align with government cyber security management policies, laws, technologies, as well as stakeholders' needs and expectations, while addressing internal and external issues and the Company's operational status. Ensure the feasibility and effectiveness of cyber security operational practices.

(B) Review and Implementation of Cyber Security Policy

The Company conducts annual reviews of its cyber security policy, collecting and assessing changes in internal and external organizational dynamics, technological advancements, business conditions, regulatory frameworks, and the environmental factors. When necessary, timely revisions are made, and continuous improvement is achieved through the PDCA (Plan-Do-Check-Act) cycle and standardization processes, ensuring the ability to maintain effective operations and provide relevant services.



C. Specific Management Plan

The Company places great importance on the management and maintenance of information security. In establishing our existing information security protection foundation, we have ensured compliance with all required laws, regulations, and international standards. In 2024, we obtained the ISO 27001 International Information Security Management Certification (valid from October 12, 2024 to October 12, 2027), and have continued planning and implementing optimization projects to further enhance our information security capabilities.

(A) Policy and Management:

The Company conducts annual reviews to ensure that its information security systems remain aligned with changes in the operating environment and regulatory requirements, making timely adjustments as necessary. Through continuous PDCA improvement cycles and standardization operations, the



Company aims to achieve sound and effective process control.

(a) Regular review of cyber security system

Adhering to the “Cyber Security Control Guidelines for TWSE/TPEX Listed Companies” issued by the Taiwan Stock Exchange and Taipei Exchange, and referencing the cloud security standard ISO 27017 and the cyber security framework NIST, the Company conducts regular reviews to enhance and update its cyber security management system in line with compliance standards.

(b) Asset identification and risk management

The Company identifies its core information protection targets by conducting inventories and classification of information systems, evaluating critical systems, and classifying relevant assets of critical systems. It then prioritizes risk assessments and implements mitigation measures to ensure targeted protection.

(c) Outsourced Information Security

To manage cyber security risks associated with outsourcing, the Company incorporates cyber security clauses into procurement agreements, encouraging vendors to adopt strong information and equipment security practices. In 2024, information service providers were asked to conduct self-assessments using standardized forms to verify implementation. The Company also completed its first cyber security audit of service providers, further promoting compliance with the Group's cyber security standards and gaining insight into actual practices.

(d) Evaluation of cyber security effectiveness

To ensure continuous improvement and effective performance management in cyber security, the Company conducts annual assessments through collaboration between internal cyber security audits and production safety audits to evaluate the implementation status of information units within the Group.

(B) Technology and Protection

Given various external information security threats, the Company adopts a multi-layered network architecture design and deploys various information security protection systems to enhance the overall security of the information environment.

(a) Cyber security:

Important systems and network devices are monitored using mobile alerts to detect anomalies. Cross-border operations are subject to authorization and monitoring control. Firewalls, network segmentation, and computer antivirus software are automatically updated to effectively block the latest viruses and spams.

(b) Device security:

Through mobile device management software, applications and approved device functionalities, including network connections, are managed and activated to ensure that device network connection undergo authentication to prevent data leakage. Additionally, endpoint management software is used to monitor users' computers to prevent unsafe applications.

(c) Information system security:

Regular vulnerability scanning, patching and updates are conducted prior to system deployment. A multi-factor authentication mechanism is adopted for verifying the identity of system users, ensuring the security of information system.

(d) Audit trail logging Security:

Centralized logging is implemented to facilitate the centralization of important systems and network communications equipment, with an information monitoring and intelligence dashboard established.



The purpose is to monitor cyber security risks and warnings, including computer login status, SSLVPN status. This setup aims to ensure the smooth operation of critical host and prevent virus attacks by analyzing irregular login activities.

D. Investments in resources for cyber security management

In 2024, a comprehensive system is adopted to assist management in reducing information-related risks and threats, implemented as follows:

(A) Inventory of information assets and business continuity

To confirm and identify the Company's core information protection targets, a comprehensive inventory and classification assessment of all information systems across the entire group is conducted. This process includes identifying and classifying information assets of important systems, as well as completing risk assessment and mitigation procedures. Additionally, to enhance the resilience of critical information system services within the Group, the Company reassessed key business risks, planned and promoted business continuity plans and drills for important systems related to manufacturing and production, strengthened the digital resilience of the enterprise, and ensured the best interests of customers.

(B) Information Technology and Protection:

(a) Data protection operations:

By conducting regular audits of high-confidential system permissions, reorganizing email groups, organizing public groups on the group communication platform, and notifying modifications, we ensure the security of highly confidential systems within the group and prevent operational data leaks

(b) Information security detection operations:

In 2024, vulnerability scanning was conducted on critical servers both in Taiwan and overseas, along with penetration testing on five important web systems. Identified vulnerabilities were addressed through execution of patching plans to prevent hacking attacks. Furthermore, external risk analysis was performed by monitoring, analyzing, and collecting external intelligence, leading to the blocking of specific malicious external IPs and the implementation of related protective measures.

(C) Training

The Company provides cyber security awareness training and assessments for all new employees. To enhance overall cyber security awareness, 50 cyber security training sessions were held, with a total of 20,133 participants completing the courses. A phishing email exercise for current employees resulted in decreased email open rates and malicious link click rates compared to the previous year, indicating improved cyber security awareness. Special emphasis is placed on practical exercises for dedicated personnel to enhance information protection and cyber security management skills

- (2) List any loss suffered by the Company in the most recent fiscal year and up to the publication date of this annual report due to significant cyber security incidents, the possible impacts therefore, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company has implemented an enterprise risk management mechanism and standardized procedures for handling cyber security incidents. These include clear reporting protocols, assignment of responsible personnel for major events, loss assessment procedures, and corresponding response measures. In the most recent fiscal year and up to the publication date of this annual report, the Company did not experience any significant cyber security incidents that resulted in material financial or operational impacts.

**4.7 Material Contracts**

Type of Contract	Parties	Term	Major Content	Restrictive Clauses
Service Agreements	Yue Yuen Industrial (Holdings) Limited	Since April 1997	Support services such as product design and development, technical expertise, technology and market promotion services, raw materials procurement, and employee recruitment.	None.



V. REVIEW AND ANALYSIS OF FINANCIAL CONDITIONS, FINANCIAL PERFORMANCE AND RISK MANAGEMENT

5.1 Financial Conditions

(In NT\$ thousands)

Item	Year	2023	2024	Difference	
				Amount	Percentage
Current Assets		157,855,134	165,281,852	7,426,718	4.70%
Non-Current Assets		169,726,201	186,128,236	16,402,035	9.66%
Total Assets		327,581,335	351,410,088	23,828,753	7.27%
Current Liabilities		84,975,466	82,737,976	(2,237,490)	(2.63%)
Non-Current Liabilities		39,942,590	43,528,734	3,586,144	8.98%
Total Liabilities		124,918,056	126,266,710	1,348,654	1.08%
Share Capital		29,467,872	29,467,872	-	-
Capital Surplus		4,410,292	4,516,630	106,338	2.41%
Retained Earnings		101,049,569	114,186,440	13,136,871	13.00%
Other Equity		(8,738,371)	(6,975,656)	1,762,715	20.17%
Non-Controlling Interests		76,473,917	83,948,092	7,474,175	9.77%
Total Equity		202,663,279	225,143,378	22,480,099	11.09%

(1) Analysis of changes in financial ratios:

Other equity experienced a NT\$1.763 billion increase, mainly driven by a NT\$4.766 billion share of other comprehensive loss of associates and joint ventures accounted for using the equity method, a NT\$517 million unrealized gain on financial assets at fair value through other comprehensive income, and a NT\$6.052 billion exchange gain on translation of foreign financial statements of foreign operations.

(2) Impact: no material impact.

(3) Action plan(s) for the future: N/A.



5.2 Financial Performance

(In NT\$ thousands)

Item	Year	2023	2024	Difference	
				Amount	Percentage
Operating Revenue		246,633,714	263,817,827	17,184,113	6.97%
Operating Costs		185,522,719	198,642,778	13,120,059	7.07%
Operating Expenses		50,895,402	49,220,812	(1,674,590)	(3.29%)
Income from Operations		10,215,593	15,954,237	5,738,644	56.18%
Non-operating Income and Expenses		9,251,088	13,771,497	4,520,409	48.86%
Income Before Income Tax		19,466,681	29,725,734	10,259,053	52.70%
Income Tax Expense		3,493,200	6,289,832	2,796,632	80.06%
Net Income For the Year		15,973,481	23,435,902	7,462,421	46.72%
Other Comprehensive Net Income (Loss)		11,257,645	6,819,448	(4,438,197)	(39.42%)
Total Comprehensive Income (Loss) For the Year		27,231,126	30,255,350	3,024,224	11.11%

(1) Analysis of changes in financial ratios :

A. The NT\$10.259 billion increase in income before tax, mainly due to NT\$5.738 billion increase by income from operations and NT\$4.521 billion increase in non-operating income and expenses. Explanations are as follows:

(A) Income from operations increase NT\$5.738 billion, mainly due to the strong demand for footwear manufacturing business orders effectively offset the relatively weak sales of sports goods retail and wholesale business, resulting in an increase in operating revenue of NT\$17.184 billion. With the continuous growth of operating revenue, the scale of operation has steadily emerged, and the strict cost control measures have been continuously implemented, resulting in an increase in income from operations for this year compared with the same period last year.

(B) NT\$4.521 billion increase in non-operating income and expenses, mainly due to the investment income recognized under the equity method increased by NT\$4.329 billion, of which the related investment income recognized in the direct and indirect holdings of Nan Shan Life Insurance Co., Ltd. increased by NT\$3.85 billion. In addition, interest income increased by NT\$ 323 million, financial costs decreased by NT\$483 million, net gain on financial instrument valuation decreased by NT\$533 million, gain on modification of lease increased by NT\$302 million, and other expenses increased by NT\$437 million, resulting in an increase in non-operating income and expenses this year compared with the same period last year.

B. Increase in income tax expense:

The income tax expense for the current year increased by NT\$2.797 billion, mainly due to the increase in the Group's profit compared to the same period last year, the estimated income tax expense for the 2017 tax dispute litigation of two subsidiaries located in Indonesia, and the estimated 2023 income tax expense of unappropriated earnings of the Company, resulting in an increase in income tax expense for the current year compared to the same period last year



C. Other comprehensive net income decreased by NT\$4.438 billion. Explanations are as follows:

- (A) The share of other comprehensive loss of associates and joint ventures accounted for using the equity method increased by NT\$12.379 billion, mainly due to the increase in unrealized loss on financial assets at fair value through other comprehensive income, recognized by Ruen Chen Investment Holdings Co., Ltd. and Nan Shan Life Insurance Co., Ltd. of the Group compared to the corresponding period last year.
- (B) The unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income decreased by NT\$4.675 billion. This was mainly due to an increase in the share price of Mega Financial Holding Company Ltd., an investee company, in 2023 due to active securities market transactions, which led to the Company recognizing unrealized gain of NT\$5.233 billion in that year. In 2024 however, the unrealized gain from our investment into Mega Financial Holding Company Ltd. were only NT\$463 million, resulting in a decrease in the unrealized gain on investments in equity instruments designated as at fair value through other comprehensive income recognized for Mega Financial Holding Company Ltd. for this year compared with the same period last year.
- (C) Exchange gain on translation of the financial statements of foreign operation increased by NT\$11.896 billion, primarily because the functional currency in foreign operations is USD, and the depreciation of the exchange rate in NTD to USD in 2024 and the appreciation of the exchange rate in NTD to USD in 2023 caused an increase in the year's exchange gain on translation of the financial statements of foreign operation compared to the corresponding period last year, when the subsidiary converted USD to NTD.

(2) Sales conditions forecast :

For footwear manufacturing operations, the Company will continue to adopt a diversified strategy and gradually implement medium and long-term production capacity plans. At the same time, we will increase investment into smart manufacturing, improve development efficiency, production capacity, and on-time delivery controls, in order to provide our brand customers with the most valuable manufacturing services. For our sporting goods retail and wholesale operations, we will continue to dynamically open new physical store locations, actively expand our online sales operations, enrich the products and services we provide, and improve the shopping experience. We will also use digital tools to empower our business operations and optimize inventory management, customer service, and sales strategy in response to rapidly changing consumer demands.

(3) Impact on future financial operations of the Company: no material impact.

(4) Action plan(s) for the future: N/A



5.3 Cash Flow

Analysis and discussion of changes in cash flow over the fiscal year, improvement plan(s) for inadequate liquidity and cash liquidity forecast analysis and discussion for the next year as follows:

(1) Analysis of changes in cash flow in 2024

(In NT\$ thousands)

Cash and Cash Equivalents at the Beginning of the Year	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Effects of exchange rate changes on the balance of cash held in foreign currencies	Cash and Cash Equivalents at the End of the Year
40,582,121	10,773,016	(12,153,566)	(13,143,016)	3,868,218	29,926,773

A. Operating activities:

The net cash inflow from operating activities amounted to NT\$10.773 billion, primarily driven by operating income before tax of NT\$29.726 billion, plus NT\$859 million in income and expense items that did not affect cash flow, and adjusted the net change of operating assets and liabilities, such as an increase in inventory of NT\$5.578 billion, an increase in accounts receivable of NT\$3.403 billion, and an increase in other receivable of NT\$2.791 billion contributed to cash outflow, NT\$2.75 billion and NT\$6.021 billion in payment of interest and income tax also contributed to cash outflow.

B. Investing activities:

The net cash outflow from investing activities amounted to NT\$12.154 billion, mainly attributed to several factors: NT\$12.486 billion from the acquisition and disposal of financial assets at amortized cost, NT\$5.274 billion from the acquisition and disposal of property, plant, and equipment, NT\$969 million from prepayments for equipment and long-term prepayment which contributed net cash outflow. Additionally, there was a net cash inflow of NT\$1.849 billion from the acquisition and disposal of investments accounted for using the equity method, and a net cash inflow of NT\$2.797 billion from the collection of dividends and NT\$1.95 billion from the collection of interest.

C. Financing activities:

The net cash outflow from financing activities amounted to NT\$13.143 billion, mainly due to several factors: NT\$1.354 billion in cash outflow for paying short-term borrowings, NT\$545 million in cash outflow for paying long-term borrowings, NT\$3.436 billion in cash outflow for paying lease liability principals, NT\$3.241 billion in cash outflow for distribution of cash dividends by the Company, and NT\$4.642 billion in cash outflow for distribution of cash dividends for non-controlling shareholders by Yue Yuen Industrial (Holdings) Limited. Additionally, there was a cash inflow of NT\$76 million from borrowing short-term bills payable.

(2) Improvement plan(s) for inadequate liquidity: N/A.



(3) Liquidity forecast analysis for the next year

(In NT\$ thousands)

Cash Balance Amount at the Beginning of the Year	Net Cash Provided by Operating Activities	Net Cash Provided by Investing and Financing Activities	Cash Surplus (Deficit)	Measures for Managing Cash Deficit	
				Investment Plans	Financing Plans
29,926,773	21,297,007	(14,903,521)	36,320,259	-	-

A. Net cash flow from operating activities for the whole year:

This primarily involves forecasting cash flow from accounts receivable and the accounts payable, operating expenses paid in cash, income tax payable and bank loan interest paid in cash generated during the operation.

B. Net cash flow from investing and financing activities for the whole year:

(A) Investing activities: This primarily involves forecasting capital expenditures and receiving cash dividends, etc.

(B) Financing activities: This primarily involves forecasting bank loan repayments and payment of cash dividends, etc.

5.4 Impact of Significant Capital Expenditures on the Financial Operations of the Company for the Most Recent Fiscal Year: N/A.

5.5 Investment Policy for the Most Recent Fiscal Year, Reasons for Profit (Loss), Improvement Plan and Investment Plan for the Coming Year:

Our company's investment plan mainly focuses on developing the manufacturing of shoes business and the retail of sporting goods and wholesale business to expand our operating scale, with the aim of bolstering our competitiveness within the industry, and to raise reinvestment income to increase shareholders equity.

(1) In 2024, the Company recognized NT\$10.158 billion in share of the profit of associates and joint ventures accounted for using the equity method, representing an increase of NT\$4.329 billion compared to 2023. Mainly attributed NT\$3.85 billion increased to recognized the direct and indirect holdings of Nan Shan Life Insurance Co., Ltd., NT\$280 million and NT\$130 million in investment income recognized by San Fang Chemical Industry Co., Ltd. and Twinways Investments Limited, respectively.

(2) The investment plan for the upcoming year will continue to focus on the manufacturing of shoes, retail of sporting goods and wholesale business. We will cautiously respond to the changes and challenges in the operating environment, ensuring that the steady development of overall operation is maintained in hopes of creating greater investment income.

5.6 Analysis and Evaluation of Risk Factors

Information pertaining to the risk factors of the Company over the latest year and up to the publication date of this annual report is as follows:

(1) Risk Management Structure and Responsibilities

With the internationalization of the operation scale, in response to the impact and challenges of the changes in the global economic environment, in order to ensure the sustainable development of the company, the company focuses on the management of corporate risks, conducts risk assessments on economic,



environmental and social issues, formulates relevant risk management strategies, and gradually identifies key risks and risk response plans that may affect the company's operations from daily operation management units to various functional management levels to reduce the possible risk of operational interruptions. The implementation results of risk management activities are summarized annually and serve as the basis for strategic management, performance evaluation, and audit plans for the following year.

Our risk management structure and responsibilities are as follows:

Name of organization	Scope of responsibilities and operations
The Board of Directors	The Board of directors serves as the highest supervisory unit for the Company's risk management, aiming to comply with laws and regulations, promote and implement the Company's comprehensive risk management, have a clear understanding of the risks encountered during operations, ensure the effectiveness of the risk management mechanism, and assume ultimate responsibility for risk management.
Audit Committee	The Audit Committee independently and professionally supervises the effective implementation of the Company's internal controls, ensures compliance with company regulations, and manages and controls both existing or potential risks. Additionally, the Committee proposes recommendations for improvements when necessary, and reports to the Board of Directors at least once a year.
Risk Management Guidance Committee	The Risk Management Guidance Committee, composed of top managers of each functional departments or unit and supported by an executive secretary, is responsible for establishing and continuously improving the Company's risk management mechanism and framework. This includes proposing risk management plans, overseeing their execution, and reporting to the Audit Committee and the Board of Directors at least once a year.
Risk Management Working Group	The Risk Management Working Group is responsible for the risk identification, analysis, evaluation and response within affiliated units in accordance with the approved risk management mechanism and framework. It manages and controls risks in daily operations, establishes crisis management mechanisms when necessary, and reports to the Risk Management Guidance Committee on a regular basis, thus ensuring effective implementation of the risk management and related control procedures across affiliated units

Through top-down supervision and management as well as bottom-up accountability reporting, the Company encourages employees to identify risk matters, explore root causes, and propose contingency strategies to enhance operational effectiveness and efficiency (including profitability, performance and asset security) as well as the reliability, timeliness, transparency and compliance with relevant norms and laws and regulations of reporting. Using risk matrix diagrams, functional units identify major risks and assess their potential impact and the likelihood of damage. Risk events are analyzed, and response plans are developed across units. These efforts serve to ensure the identification and management of operational risks, prevent potential losses within acceptable risk parameters, increase shareholder equity, and thereby



optimize resource allocation.

In 2024, the Risk Management Working Group identified 162 key economic, social, and environmental risks based on the Company's operating objectives and development strategies. These included risks related to changes to the competitive environment, localized supply chains, information security risks, sustainability information disclosure, innovative technologies, and organizational strength and resilience. Each risk was categorized as being a high, moderate, or low risk after an assessment of both the likelihood that the Company would be exposed to this risk and its level of impact. At the same time, the Group also designated units responsible for managing risks in each category and for establishing risk response plans. Apart from providing regular reports at management meetings, the Risk Management Committee shall also report to the Audit Committee on the effectiveness of risk management mechanisms for reviewing and monitoring risk, ensuring that these mechanisms are able to effectively identify, assess, manage, respond to, and monitor the Company's risks. When necessary, the Committee shall provide suggestion for improvement, and review, monitor, and manage risks. In December 19, 2024, the status of risk management operations for the year was reviewed by Audit Committee and reported to the Board of Directors.

(2) Impact of Interest Rate/Exchange Rate Fluctuations and Inflation on the Company's Profitability and Future Action Plans

A. Interest Rate Fluctuation

Factors affecting the global economy 2024 include lower inflation, easing labor market pressures, and strong demand for AI-related products. Although economic performance varied by country, the global economy still grew at a rate of 3.2%, the same as the previous year. Institutions such as the International Monetary Fund (IMF) and the Economist Intelligence Unit (EIU) predicted that most economies will experience higher growth in 2025, with corporate profits expected to see long-term growth. This growth is mainly driven by factors such as the generative AI boom, continued innovation in the energy sector, and the monetary policies of central banks worldwide. Investment momentum and consumer demand from advanced economies are expected to support global economic growth. However, the intensity of future U.S. policies and ongoing geopolitical risks may potentially impact economic development in 2025. The IMF forecasts that the global economic growth rate will remain at 3.2% in 2025, the same as in 2024, mainly due to predictions of slowing economic growth in the United States and China. Economic growth for the United States and China is expected to decline from 2.8% and 4.8%, respectively, in 2024 to only 2.2% and 4.5% in 2025. The Eurozone and Japan are expected to increase economic growth from 0.8% and 0.3%, respectively, to 1.2% and 1.1%.

The United States has experienced three consecutive years of rising inflation. It has entered a new economic cycle of interest rate cuts beginning in September 2024, with a total reduction of 100 basis points in 2024. The Federal Reserve revised its interest rate projections upwards in its December dot plot, expecting only a 50 basis point cut in rates for 2025. There has even been market speculation regarding the possibility of no rate cuts. While the trajectory toward gradually lowering inflation has not changed significantly, considering continued economic growth, a stable labor market, and expansionary fiscal policies in the future, the 2% inflation target may be achieved later than initially expected. This leads to expectations that the Federal Reserve will exercise caution in cutting interest rates. The market anticipates the ongoing interest rate cuts in 2024 to transition into a wait-and-see approach by the Federal Reserve in 2025, with only marginal reductions expected.

In 2024, Taiwan benefited from the expansion of AI applications and increasing global trade. The demand generated by emerging technologies led to a surge in exports, and the Directorate General of Budget, Accounting, and Statistics estimates that economic growth reached 4.27%. Looking ahead to



2025, as global demand for electronics-related products recovers, driven by the demand for high-speed computing and AI applications, the economic growth momentum from 2024 is expected to continue, leading to an anticipated growth rate of 3.10%. However, overall economic conditions in 2025 are projected to be more challenging due to increased uncertainty in a deteriorating trade environment, resulting from new tariffs and trade protection measures implemented by the United States and the responses from other countries. The market expects that in an environment where inflation and economic growth remains stable, there should be no domestic impetus for a shift toward quantitative easing and limited room for interest rate cuts. Current monetary policies are expected to remain unchanged, though adjustments may be made to the reserve requirement in the future.

The interest rate fluctuation risk will impact the interest income generated by the cash and fixed-income investment instruments held by the Company and its consolidated subsidiaries, as well as the interest expenses associated with financial debts. In response to the uncertainty posed by market interest rate fluctuations, and after assessing our liquidity needs and credit risks, we have invested part of our funds in investment-grade fixed-rate bonds with relatively higher returns and have extended our fixed deposit tenors. For financing, we arranged the debts with different maturities to reduce funding costs. The Company will continue to monitor market interest rate trends and select the appropriate long-term and short-term financing tools to minimize overall funding costs.

B. Exchange Rate Fluctuation

In 2024, as the US economy demonstrated resilience, inflation eased only at a limited rate, and the US dollar index continued to rise. Apart from a short-term decline in the US dollar exchange rate in September, when 50 basis points cut interest rates, the dollar regained value after November, buoyed by the US election. Overall, the dollar index rose by 7% over the entire year. Looking ahead, the market will closely monitor whether the policies implemented by the new US president in 2025 will lead to renewed inflation, which could influence the extent and timing of interest rate cuts and result in the US dollar remaining strong.

The Company and our consolidated subsidiaries will use spot or forward exchange rate products or other derivative financial instruments to hedge against risk and mitigate the effect of exchange rate fluctuations on foreign currency assets and liabilities arising from our import and export business operations. This strategy will be based on the exchange rate trends for each currency where our foreign exchange positions are denominated, and the foreign exchange costs associated with the assets and liabilities recorded on our books. The Company will continue to implement these plans in response to market exchange rate fluctuations, hoping that they will effectively reduce the impact of these fluctuations on our profit and loss.

C. Inflation

Oil prices rose in the first half of 2024 due to geopolitical factors, while they fell in the second half of the year due to weaker global demand and increased production from non-OPEC+ countries, which eased some inflationary pressure. A UBS report stated that the market generally believes there will be an oversupply in the oil market in 2025 and that oil prices will be at the lower end of the 2024 trading range. In addition to these changes in oil prices, future trade and immigration policies in the United States, climate change, and ongoing geopolitical tensions may also disrupt the commodity market, drive up price levels, and subsequently affect consumers' willingness to spend.

The Company will continue to monitor changes in raw materials supply and prices, control the sources of these supplies, manage our raw materials inventory, and flexibly adjust our business strategy to



mitigate the impact of fluctuations in raw materials supplies on the Company's operations.

- (3) Policies and Future Action Plans for High-risk, High-Leveraged Investments, Fund Lending to Third Parties, Endorsements or Guarantees, Transactions in Financial Derivatives, Main Reasons for Profit (Loss)
 - A. The Company focuses on its core business and refrains from engaging in high-risk or high-leverage investments. It has established guidelines in the “Procedures for Acquisition and Disposal of Assets” to serve as a reference for investment decisions.
 - B. To support its affiliates’ operations, the Company has stipulated guidelines on the “Operational Procedures for Loaning of Company Funds” and “Operational Procedures for Making Endorsements and Guarantees.” These guidelines adhere to relevant rules and regulations mandated by regulatory authorities. Additionally, the Company has designated internal units and personnel to periodically evaluate and audit these procedures.
 - C. In the future, the Company will conduct all transactions following its internal guidelines.
- (4) Future Research and Development Programs and Projected Expenses

For details regarding the Company’s future research and development programs, please refer to Section 4.1 (3) R&D Overview on page 120. It is estimated that future R&D expenses will account for 3% of the Company’s annual revenue generated from manufacturing of shoes business.
- (5) Impact of Important Policy and Regulatory Changes in Taiwan and Overseas on the Financial Condition and Operations of the Company and Action Plans

The Company ensures compliance with policies and regulations in all jurisdictions where we operate. We also have administrative centers in each location to provide timely updates on local policy and regulatory changes, allowing us to take proper action as necessary.
- (6) Impact of Changes in Technology and Industry on the Financial Condition and Operations of the Company and Action Plans

We have introduced an electronic operating system and established an online information network for Group management. By integrating with upstream and downstream industries, we are able to streamline the information transfer process and reduce lead time, thereby improving operational efficiency. In response to changing industry conditions, we are also committed to developing new products and improving manufacturing process and technologies to strengthen our competitiveness. Therefore, we expect that these technological and industry changes will positively impact the Company’s financial condition and operations.
- (7) Impact of Change in Corporate Image to Crises Management and Action Plans

In order to realize our vision for corporate sustainability, the Company has consistently adhered to a business philosophy of professionalism and integrity. We have actively fulfilled our social responsibilities as a corporate citizen and have long invested in corporate governance, community involvement, and environmental protection. Our efforts have been continuously recognized by external parties. In the most recent 2023 Corporate Governance Evaluation, released by the Taiwan Stock Exchange Corporation, the Company ranked within the top 6% to 20% of listed companies. We also continued to be selected as a constituent of the FTSE4Good Emerging Index, the FTSE4Good TIP Taiwan ESG Index, and the Taiwan Employment Creation 99 Index. Furthermore, we have also continued to participate in the Carbon Disclosure Project (CDP), where, in 2024, we received a B grade for climate change and a B- grade for water security, both of which are within the Management Level standard. Additionally, we were honored with the SGS 2024 Sustainable Environment ESG Award. Moving forward, the Company will continue to



enhance performance in operational development, corporate governance, and sustainable growth. We are committed to shaping a positive corporate image and currently have no intention of deviating from this path.

(8) Expected Benefits of Mergers and Acquisitions, Associated Risks and Action Plans

The Company had no plans for mergers or acquisitions for the past fiscal year and up to the publication date of this Annual Report.

(9) Expected Benefits of Capacity Expansion, Associated Risks and Action Plans

We conduct thorough evaluations of our factory expansion plans based on current production capacity and operational strategies. Major capital expenditures are submitted to the board of directors for review and resolution, taking into account investment efficiency and potential risks.

(10) Risks Associated with Concentration of Supply and Sales and Action Plans

We maintain a diversified base of suppliers and customers, and have established long-term partnerships with our suppliers and good relations with customers. As a result, we are not currently exposed to any supply or sales concentration risks.

(11) Impact of Transfer of Significant Number of Shares by Directors, and/or Major Shareholders Holding 10% or More of the Total Outstanding Shares, Risks Associated and Action Plans

The Company's Directors and shareholders holding more than 10% of the outstanding shares did not transfer a significant number of shares in the most recent year and up to the publication date of this Annual Report.

(12) Impact of Change in Ownership, Associated Risks and Action Plans

The management of the Company has remained stable in the latest fiscal year and up to the publication date of this annual report. They are committed to creating a robust performance and maximizing value for shareholders, therefore having a positive impact on the Company's operations.

(13) Disclosure of issues in dispute, monetary amount of claims, filing date, parties involved, and status of any litigation or other legal proceedings within the latest fiscal year and up to the publication date of this annual report where the Company and/or any of its directors, president, person in charge, shareholders with 10% or more share ownership, or affiliates are involved in a pending litigation, legal proceedings, or administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the Company's shareholder equity or price of securities: N/A.

(14) Other Significant Risks and Action Plans: N/A.

5.7 Other Material Items: N/A

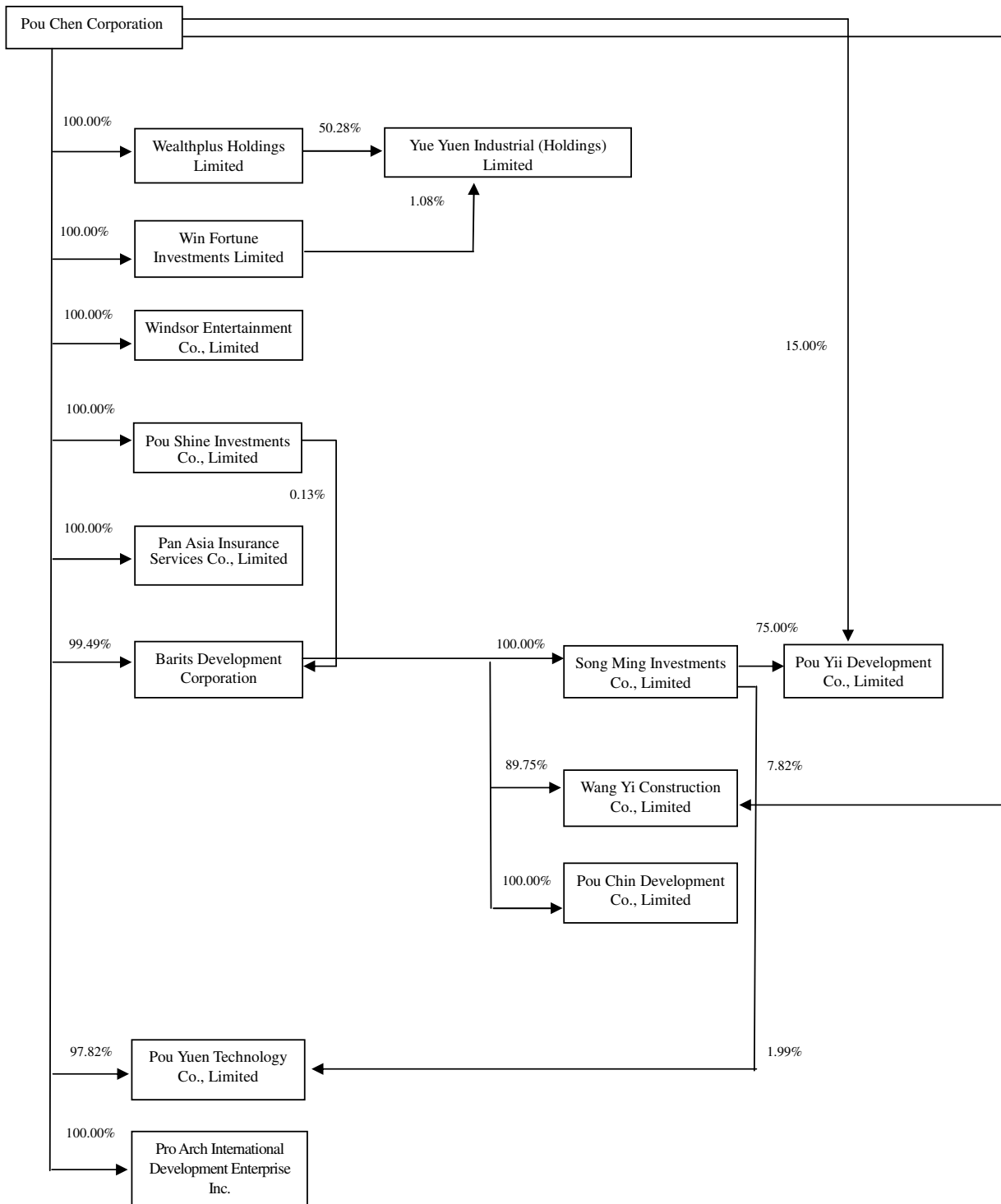


VI. SPECIAL DISCLOSURE

6.1 Affiliated Enterprises

(1) Consolidated Results of Operations

A. Group Organizational Chart





B. Affiliates Profiles

Amount in NT thousands or US dollars

Entity Name	Establishment	Address	Paid-in Capital	Main Business and/or Products
Wealthplus Holdings Limited	August 28, 1991	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$9,222,000	Investing in footwear, electronics and peripheral activities
Win Fortune Investments Limited	January 25, 1994	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	US\$100,000	Investing activities
Windsor Entertainment Co., Limited	July 15, 2003	No.610, Sec. 4, Taiwan Blvd., Taichung City, Taiwan	71,000	Entertainment and resort operations
Pou Shine Investments Co., Limited	March 19, 1990	No.2, Fugong Rd., Fu Hsin Hsian, Chang Hwa, Taiwan	1,330,945	Investing activities
Pan Asia Insurance Services Co., Limited	May 14, 1999	7F., No.59, Songjiang Rd., Zhongshan Dist., Taipei City, Taiwan	5,000	Agency of property and casualty insurance
Barits Development Corporation	November 21, 1985	No.2, Fugong Rd., Fu Hsin Hsian, Chang Hwa, Taiwan	3,597,203	Import and export of shoe related materials and investing activities
Pou Yuen Technology Co., Limited	December 22, 1993	No.4, Fugong Rd., Fu Hsin Hsian, Chang Hwa, Taiwan	311,340	Rental of real estate
Pro Arch International Development Enterprise Inc.	June 22, 1999	No.8, Gongyequ 11th Rd., Xitun Dist., Taichung City, Taiwan	200,000	Design and manufacture of footwear products
Song Ming Investments Co., Limited	September 26, 1996	No.2, Fugong Rd., Fu Hsin Hsian, Chang Hwa, Taiwan	1,204,864	Investing activities
Wang Yi Construction Co., Limited	May 23, 1984	6F-1, No.600, Sec. 4, Taiwan Blvd., Taichung City, Taiwan	47,000	Construction
Pou Yii Development Co., Limited	October 18, 1996	14F, No.600, Sec. 4, Taiwan Blvd., Taichung City, Taiwan	525,000	Rental and sale of real estate
Pou Chin Development Co., Limited	December 27, 2007	10F, No.600, Sec. 4, Taiwan Blvd., Taichung City, Taiwan	200,000	Agency of land demarcation
Yue Yuen Industrial (Holdings) Limited	May 11, 1992	22F, C-BONS International Center, 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong	US\$51,795,000	Manufacturing and sale of athletic and casual footwear and sporting goods



POU CHEN CORPORATION

C. Disclosure of Information on Overlapping Shareholders where Control is Presumed between the Company and any Group Companies: N/A

D. Industries in which the Group Companies Operate

The business activities of the group companies primarily involve the following industries:

(A) Main business activities: import and export of footwear products and raw materials, manufacturing and design of footwear, and investments in other related business, etc.

(B) Investment activities

(C) Building and construction: construction business activities, real estate leasing, sales and development, etc.

(D) Other business activities: entertainment and resort operations, and insurance agencies, etc.

For main business and/or products of each group company, please refer to "B. Affiliates Profiles."



E. Directors, Supervisors, and Presidents of Affiliates

Entity Name	Title	Name/Representative	Share Ownership		
			Number of Shares	Percentage	
Wealthplus Holdings Limited	Director	Chan, Lu-Min	-	-	
	Director	Lu, Chin-Chu	-	-	
	Director	Tsai, Pei-Chun	-	-	
	Director	Ho, Yue-Ming	-	-	
	Director	Wu, Hui-Chi	-	-	
	Director	Chan, Lu-Min	-	-	
	Director	Lu, Chin-Chu	-	-	
	Director	Wu, Hui-Chi	-	-	
	Chairman	Pou Chen Corporation, represented by Lu, Chin-Chu	7,100,000	100.00	
Win Fortune Investments Limited	Director	Pou Chen Corporation, represented by Johnson Tong	7,100,000	100.00	
	Director	Pou Chen Corporation, represented by Wu, Hui-Chi	7,100,000	100.00	
	Supervisor	Pou Chen Corporation, represented by Wu, Hui-Chi	7,100,000	100.00	
	Chairman	Pou Chen Corporation, represented by Chan, Lu-Min	133,094,460	100.00	
	Chairman	Pou Chen Corporation, represented by Young, Hung-Bin	-	100.00	
	Director	Pou Chen Corporation, represented by Chen, Yuh-Jiun	-	100.00	
	Director	Pou Chen Corporation, represented by Chuang, Shao-Jung	-	100.00	
	Chairman	Pou Chen Corporation, represented by Wu, Hui-Chi	357,895,636	99.49	
	Director	Pou Chen Corporation, represented by Wu, Hui-Chi	357,895,636	99.49	
Pou Yuen Technology Co., Limited	Director	Pou Chen Corporation, represented by Wu, Hui-Chi	357,895,636	99.49	
	Supervisor	Pou Shine Investments Co., Limited, represented by Liu, Shu-Hsuan	459,860	0.13	
	Chairman	Pou Chen Corporation, represented by Wu, Hui-Chi	30,456,252	97.82	
	Supervisor	Song Ming Investments Co., Limited, represented by Liu, Shu-Hsuan	619,220	1.99	
	Chairman	Pou Chen Corporation, represented by Wu, Hui-Chi	20,000,000	100.00	
	Pro Arch International Development Enterprise Inc.	Chairman	Pou Chen Corporation, represented by Wu, Hui-Chi	-	-
		Chairman	Pou Chen Corporation, represented by Young, Hung-Bin	-	-
		Director	Pou Chen Corporation, represented by Chen, Yuh-Jiun	-	-
		Director	Pou Chen Corporation, represented by Chuang, Shao-Jung	-	-
Chairman		Pou Chen Corporation, represented by Wu, Hui-Chi	357,895,636	99.49	
Director		Pou Chen Corporation, represented by Wu, Hui-Chi	357,895,636	99.49	
Director		Pou Chen Corporation, represented by Hsiao, Hsiu-Chen	357,895,636	99.49	
Supervisor		Pou Shine Investments Co., Limited, represented by Liu, Shu-Hsuan	459,860	0.13	
Chairman		Pou Chen Corporation, represented by Wu, Hui-Chi	30,456,252	97.82	



POU CHEN CORPORATION

Entity Name	Title	Name/Representative	Share Ownership	
			Number of Shares	Percentage
Song Ming Investments Co., Limited	Chairman	Barits Development Corporation, represented by Wu, Hui-Chi	120,486,400	100.00
	Chairman	Barits Development Corporation, represented by Su, Po-Wei	4,218,250	89.75
Wang Yi Construction Co., Limited	Director	Barits Development Corporation, represented by Zhang, Ming-Jia	4,218,250	89.75
	Director	Lin, Hong-Chang	-	-
Pou Yii Development Co., Limited	Supervisor	Yu, Ming-Ju	-	-
	Chairman	Song Ming Investments Co., Limited, represented by Wu, Chin-Tiao	39,375,000	75.00
	Director	Song Ming Investments Co., Limited, represented by Hsiao, Hsiu-Chen	39,375,000	75.00
	Director	Song Ming Investments Co., Limited, represented by Shih, Ching-Yi	39,375,000	75.00
Pou Chin Development Co., Limited	Supervisor	Pou Chen Corporation, represented by Wu, Hui-Chi	7,875,000	15.00
	Chairman	Barits Development Corporation, represented by Chen, Yuh-Jiun	20,000,000	100.00
Yue Yuen Industrial (Holdings) Limited	Executive Director and Chairman	Lu, Chin-Chu	-	-
	Executive Director and Managing Director	Tsai, Pei-Chun	-	-
	Executive Director	Chan, Lu-Min	-	-
	Executive Director	Lin, Cheng-Tien	-	-
	Executive Director	Liu, Hong-Chih	-	-
	Executive Director and CFO	Shih, Chih-Hung	-	-
	Independent Non-executive Director	Wong, Hak-Kun	-	-
	Independent Non-executive Director	Ho, Lai-Hong	-	-
	Independent Non-executive Director	Lin, Shei - Yuan	-	-
	Independent Non-executive Director	Yang Ju-Huei	-	-
	Independent Non-executive Director			
	Independent Non-executive Director			



F. Financial Highlights of Affiliates

(In NT\$ thousands)

Entity Name	Capital	Total Assets	Total Liabilities	Net Asset Value	Operating Revenue	Profit(Loss) From Operations	Net Income (Loss) after tax	Basic Earnings Per Share (\$)
Wealthplus Holdings Limited	\$ 295,429	\$ 104,441,719	\$ 133,150	\$ 104,308,569	\$ 209,208	\$ 150,414	\$ 7,207,124	N/A
Win Fortune Investments Limited	3,230	2,584,317	50	2,584,267	144,117	143,998	144,177	N/A
Windsor Entertainment Co., Limited	71,000	363,482	283,867	79,615	583,678	1,759	4,385	N/A
Pou Shine Investments Co., Limited	1,330,945	5,616,257	606,425	5,009,832	238,874	238,227	227,270	N/A
Pan Asia Insurance Services Co., Limited	5,000	22,541	15,488	7,053	29,191	(1,173)	(873)	N/A
Barits Development Corporation	3,597,203	15,019,706	2,876,137	12,143,569	126,735	(19,258)	337,328	N/A
Pou Yuen Technology Co., Limited	311,340	1,125,873	11,078	1,114,795	14,908	7,791	216,672	N/A
Pro Arch International Development Enterprise Inc.	200,000	347,351	84,991	262,360	107,365	3,039	21,012	N/A
Song Ming Investments Co., Limited	1,204,864	3,442,876	126	3,442,750	144,645	144,242	144,045	N/A
Wang Yi Construction Co., Limited	47,000	66,119	1,077	65,042	-	(2,998)	(2,132)	N/A
Pou Yui Development Co., Limited	525,000	1,822,881	171,172	1,651,709	78,657	22,106	81,393	N/A
Pou Chin Development Co., Limited	200,000	203,692	4,417	199,275	3,429	14	286	N/A
Yue Yuen Industrial (Holdings) Limited	1,658,405	241,800,981	80,683,885	161,117,096	255,009,518	14,322,472	12,230,933	7.59

Note: The amount of assets and liabilities of foreign affiliates and subsidiaries are calculated at the foreign exchange rate on the date of the balance sheets; whereas profit and loss amounts are calculated at a weighted average foreign exchange rate for the period of the income statements



(2) Declaration of Consolidated Financial Statements of Affiliates

Representation Statement

March 12, 2025

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Hereby declared

Pou Chen Corporation

Chan, Lu-Min

Chairman





(3) Affiliation report: none

6.2 Any Private Placement of Securities for the Most Recent Fiscal Year and during the Current Fiscal Year up to the Publication date of this Annual Report: N/A

6.3 Additional Information Required to be Disclosed: N/A

6.4 Other Disclosures

There has not been any event occurred within the latest fiscal year and up to the publication date of this annual report which would materially affect the shareholder equity or price of securities of the Company according to Item 2 Paragraph 3 of Article 36 of the Securities and Exchange Act.

POU CHEN CORPORATION

Chan, Lu-Min
Chairman