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dyaco
岱宇國際

Dyaco International Inc.
岱宇國際股份有限公司

2024 ANNUAL REPORTS



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- Overseas Securities exchange : None

- Comapany website : <http://www.dyaco.com>

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I. Letter to Shareholders

Dear shareholders:

First of all, thank you for your long-term support and love for Dyaco International Inc. The global economy in 2024 faced significant challenges, with growth momentum hindered by high interest rates, geopolitical risks, and supply chain restructuring. The International Monetary Fund (IMF) has projected a global GDP growth rate of 3.2% for the year. The U.S. economy expanded by 2.8% in 2024, primarily driven by private consumption. However, following President Trump's inauguration, the resurgence of protectionism and inflationary risks has heightened global economic uncertainty.

The Eurozone's economy remained sluggish, with GDP growth reaching 0.8% in 2024, still below the 1.6% average recorded between 2014 and 2019. The region's economic performance was dampened by China's slowing economy, rising production costs, and intensifying global competition. Meanwhile, China's economy grew by 5.0%, mainly fueled by exports, with net exports contributing 1.5 percentage points to overall growth. However, domestic demand fell short of expectations, reflecting continued downturns in the real estate sector and weak consumer confidence. At the same time, India and Southeast Asia emerged as key manufacturing hubs, benefiting from foreign investment inflows and supply chain shifts amid U.S.-China tensions.

Looking ahead to 2025, global economic growth remains uncertain. The monetary policy shift by the Federal Reserve and the European Central Bank could lead to a more accommodative financial environment, potentially stimulating investment and consumption. The IMF forecasts global GDP growth at 3.3% for 2025, still below historical averages. However, the lingering effects of trade protectionism, supply chain regionalization, and geopolitical risks may continue to constrain the pace of global recovery.

For Taiwan, export growth faces headwinds. If Fed rate cuts lead to a weaker U.S. dollar, New Taiwan Dollar appreciation could erode export competitiveness. Amid a slow global economy and evolving trade landscape, Taiwan must strengthen its high-end manufacturing capabilities and diversify export markets to maintain its competitive edge.

In response to this environment, Dyaco is undergoing a comprehensive transformation to enhance competitiveness. Our top priorities include accelerating product development, improving market responsiveness, adapting to user demands, fostering innovation, and increasing operational efficiency. These efforts are essential to our continued success. The following report will present Dyaco's business performance for FY2024, our strategic plans for FY2025, and our long-term development strategy.

1.1 The business of 2024

1.1.1 Business Plan Implementation Results

According to a Research and Markets report, the global fitness equipment market is projected to reach \$14.4 billion in 2024, with a compound annual growth rate (CAGR) of 4.2%. Demand for home fitness equipment has stabilized, while the commercial market has grown due to increased investments in gym and hotel fitness facilities

In this environment, Dyaco remains committed to returning to profitability. Although total revenue for FY2024 declined by 7% year-over-year, effective cost and expense control measures resulted in a net profit of NT\$69 million, with earnings per share (EPS) of NT\$0.45.

1.1.2 Budget Implementation Status

The Company did not disclose financial forecasts for 2024, the overall operating performance was affected by the economic environment and market competition, and did not meet the Company's internally formulated business plans.

1.1.3 Financial Income and Profit Analysis

1. Financial Income

Unit: NT \$1,000

Item		Year	2024	2024
Financial Income	Operating Revenue		7,786,471	7,217,077
	Gross Profit		2,667,085	2,577,251
	Operating Income (Loss)		-98,423	29,874
	Non-operating Income and Expenses		-71,008	48,963
	Profit (Loss) Before Tax		-169,431	78,837
	Net Profit (Loss) for the Period		-110,372	69,883
	Net Income Attributable to Owners of the Parent		-122,770	71,952
Profitability analysis	Return on Assets (ROA) (%)		-0.28	1.32
	Return on Equity (ROE) (%)		-2.50	1.32
	Pre-tax Profit to Paid-in Capital Ratio (%)		-6.04	4.72
	Net Profit Margin (%)		-1.42	0.97
	Earnings Per Share (EPS) (NTD)		-0.88	0.45

1.1.4 Research and Development Status

The Company's technology is mainly based on the integration of our Research & Development team, domestic upstream manufacturers, market demand, and research institutions. Through marketing personnel for closer access to the market and customers, we can better understand the development trends of products and the application of new technologies, and carry out product and technology development. When necessary, we will hire relevant consultants for advice, cooperate with schools and research institutions for technology development, making the overall product development efficiency and effectiveness faster and more efficient than competitors.

List of R&D achievements in 2024::

- (1)SPIRIT SBC900 INDOOR CYCLE
- (2)SPIRIT SBC800 INDOOR CYCLE
- (3)Dyaco 8.5UE MED Medical Rehabilitation UBE Upper Body Ergomete
- (4)Dyaco 5.5UE PT Rehabilitation UBE Upper Body Ergometer
- (5)HAMMER Light-commerical Elliptical
- (6)HAMMER Light-commerical Exercise Bike
- (7)HAMMER Light-commerical Indoor Cycle
- (8)SPIRIT XBU75 UPRIGHT BIKE

1.2 Summary of the business plan 2025

1.2.1 Management Policy

1. Adhering to the core values of "Brand, Service, and Innovation" for the Company management, developing products and creating value based on people's needs, focusing on providing consumers with simple, comfortable, and safe products, and continuously improving people's health, sports, and leisure life quality.
2. What we offer to our customers is not just a product, but also includes brand beliefs, product creativity, and after-sales experience, thereby enhancing relationships with partners; with this framework, we will continue to expand our own brands SOLE, SPIRIT, and XTERRA, as well as the authorized brand UFC's international market share
3. Diversify and expand new products and new brands, focus on OEM of E-Bike and promote the new E-Bike brand CIKADA, strengthen strategic marketing and sales channels with the UFC mixed martial arts brand, set up a factory in Thailand to reduce costs, and reduce the impact of the Sino-US trade war. We are entering the Indian and Southeast Asian markets for equipment such as physical therapy and elderly rehabilitation required in the medical technology field.
4. Making the right decisions on key issues and not living in past successes, Dyaco will continue to commit to innovation in R&D technology, collaborate with academia, and extend the Company's R&D advantages by entering the medical rehabilitation equipment field. This way, the Company's products can benefit not only the general public but also people with mobility issues or elderly family members, allowing everyone to enjoy the fun of sports and better care for those in need of help. After all, having a healthy body leads to a better quality of life.

1.2.2 Marketing Policy

1. Establish e-commerce marketing tools to increase market share beyond physical channels.
2. Strengthen third-party sales platform materials and search engine resources to increase brand exposure in local markets.
3. Continuously develop brand agents in various countries while establishing brand communication platforms.
4. Integrate the official company website and fan pages to improve the Company's image in Taiwan and enhance the exposure of domestic products.
5. Enhance the function of the Company's website and deepen the impression with product press releases.
6. Standardize the design of global physical channel marketing materials.

1.2.3 Research and Development Policy

1. Actively develop new models for each brand series, offering diverse choices for consumers.
2. Provide cost-effective, practical, and aesthetically pleasing products under certain quality standards, and further introduce intelligent cloud platforms.
3. Strengthen collaboration with academia and continue to enter the medical rehabilitation equipment field, developing products suitable for the elderly and those with mobility impairments.
4. Develop new intelligent light commercial and commercial equipment series.
5. Combine IoT and wearable devices with sports equipment control, developing products with richer entertainment connections (APP software and 3C product control).

1.2.4 Production Policy

1. Moderately expand production capacity and improve production efficiency to ensure timely delivery, quality improvement, and cost reduction.
2. Integrate the industrial supply chain, enhance management efficiency and quality reliability, establish information sharing mechanisms, quickly respond to end-market demand, and reduce inventory costs while increasing added value.
3. Automated warehousing system introduced to optimize and speed up the picking process.

1.3 Future Company Development Strategy

1.3.1 Consistently Innovating Product Technology

In addition to fitness equipment, Dyaco will continue to care for people. Apart from taking care of the general public's sports and leisure quality, it also wants to take care of the elderly and those with limited mobility, allowing them to enjoy the fun of sports. Therefore, the Company will continue to strengthen cooperation with the academic community to develop fitness and rehabilitation equipment that meets the needs of all levels, and innovate in research and development technology, enhancing the interaction mode between athletes and machines, allowing everyone to enjoy exercising and feel safe doing it, thereby providing people with a different understanding and definition of sports.

1.3.2 Developing Health and Rehabilitation Products

Influenced by the trend of exercise and health as well as the arrival of an aging society, the health and care industry has moved away from the traditional service industry atmosphere. Increasingly, more cases of IoT (Internet of Things) technology, AI artificial intelligence, and sensor technology applications have emerged, contributing to the thriving development of the health and care industry. Dyaco is committed to the long-term development of safe rehabilitation equipment, combining research and innovation capabilities, production technology and scale, and marketing channel strength to provide the best medical rehabilitation equipment worldwide, while also exploring new business opportunities beyond traditional sports and fitness equipment. This year, the Company has officially launched a series of rehabilitation equipment products and is actively promoting sales in various markets.

1.3.3 Developing The Brand

Adhering to the core values of "Brand, Service, and Innovation" for the Company management, we provide not only products but also brand beliefs, product creativity, and after-sales service experiences to our customers, enhancing relationships with partners. We continue to develop brand agents in various countries while establishing brand communication platforms to expand the market share of our own brands SOLE, SPIRIT, XTERRA, and licensed brand UFC, as well as develop the new electric-assisted bicycle brand CIKADA.

1.3.4 Sticking to Principles and Beliefs

1. Our commitment to product quality and customer promises remains unchanged.
2. Our pursuit of excellence and change in research, development, and design remains unchanged.
3. Our principle of integrating the supply chain to benefit both customers and suppliers remains unchanged.
4. Our belief in promoting the brand, deepening local channels, and benefiting more people remains unchanged.
5. Our principle of cultivating international talents and localized management teams remains unchanged.

1.4 Affected by External Competitive, Regulatory and Overall Operating Environment.

Looking ahead to 2025, there are still many geopolitical and economic uncertainties affecting global economic performance. Companies continue to face a challenging overall operating environment, testing their resilience. However, we remain committed to the future development of the Company. Particularly, the sales explosion in 2020 not only helped strengthen our brand market share and visibility, but also improved our capabilities in marketing, logistics, and customer service, creating greater competitiveness. Additionally, through upstream and downstream integration, we aim to leverage synergies in corporate resources and capture more market opportunities.

Overall, in the face of rapidly changing markets and rising production costs, the challenges faced by businesses are becoming increasingly severe. We believe that by adhering to the Company's core management philosophy of sustainable operation, continuously following the Company's planned steps to steadily layout local markets, establishing an innovative growth-oriented corporate culture, fulfilling corporate social responsibility, and taking care of more people in need, we can maintain our competitive advantage and accumulate more strengths, allowing shareholders, customers, and employees to share in the fruitful business results.

Sincerely yours,

Chairman: Lin, Yu-Yin

General Manager: Chen, Ming-Nan

Chief Accountant Officer: Chiu, Yuan-Shen

II. Corporate Governance Report

2.1. Information on directors, supervisors, president, vice president, assistant vice president, and heads of departments and branch offices

2.1.1 Director and supervisor information:

March 31 2025; Units: Shares

Title	Nationality or Country of registration	Name	Gender/Age	Date of appointment	Office term	Date of first appointment	Shares held at time of appointment		Shares currently held		Shares Held by Spouse & Minors		Shares held under names of others		Experience and academic background	Positions currently held in DYACO and other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
							Chairman	ROC	CHUAN-FENG INVESTMENT CORPORATION	-	2023.5.26	3	2023.5.26	8,111,882			5.48%	9,195,776	5.13%	
	ROC	Yu-Yin, Lin	Male/ 21-30 years old				-	-	211,817	0.12%	309,737	0.17%	-	-	Bachelor of Department of Business, Northeastern University President and Director of Dyaco Canada Inc.	Director of Dyaco Canada Inc.	-	-	-	-
Director	ROC	Zhuang, Zhu-Wei	Female/ 61-70 years old	2020.5.28	3	2013.6.10	1,000,000	0.63%	1,217,134	0.68%	64,507	0.04%	-	-	Bachelor of Department of Fiber and Composite Materials, Feng Chia University General Manager of CHANITEX CO., LTD.	Director of CHANITEX CO., LTD. General Manager of CHANITEX CO., LTD.	-	-	-	-
Director	ROC	Yong-Heng Investment Corporation.	-	2023.5.26	3	2014.5.14	6,318,057	3.96%	7,162,109	4.00%	-	-	-	-		-	-	-	-	
	ROC	Chiu Shih-Chien	Male/ 51-60 years old				-	-	1,050	-	-	-	-	-	Master of Department of Statistics, NCKU	Note 1	-	-	-	-
Independent Director	ROC	Wang, Kai-Li	Male/ 51-60 years old	2020.5.26	3	2011.12.9	-	-	-	-	-	-	-	-	PhD of Economics Sciences, Utah State University Adjunct Associate Professor, Department of Financial, National Chung Hsing University Associate Professor, Department of Financial, Tunghai University Director, Department of Financial, Tunghai University Director of EMBA of Tunghai University Committee financial member of Taiwan Economic Association	Note 2	-	-	-	-

Title	Nationality or Country of registration	Name	Gender/Age	Date of appointment	Office term	Date of first appointment	Shares held at time of appointment		Shares currently held		Shares Held by Spouse & Minors		Shares held under names of others		Experience and academic background	Positions currently held in DYACO and other companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	Wang, Chih-Cheng	Male/61-70 years old	2020.5.26	3	2017.5.26	-	-	-	-	-	-	-	-	Adjunct Professor, School of Law, National Cheng Kung University Committee member of Foundation of Finance PhD of College of Law, National Chengchi University	Note 3	-	-	-	-
Independent Director	ROC	Wu, Jiin-Po	Male/61-70 years old	2023.5.26	3	2011.6.23	-	-	-	-	-	-	-	-	Ph.D. in Computer Information Systems from the University of North Texas, System Analyst of Weiquan Co., Ltd., Lecturer at the University of North Texas, Associate Professor of the Department of Asset Management of Tamkang University, and Dean of the Department of Leisure Industry Management of Tamkang University	-	-	-	-	-
Independent Director	ROC	Tu, Chi-Yao	Male/61-70 years old)	2023.5.26	3	2023.5.26	-	-	-	-	-	-	-	-	PhD in Economic Law from China University of Political Science and Law, Partner of Qinye Accounting Firm, Financial Legal Advisor to Taiwanese Businessmen of the Straits Exchange Foundation	Note 4	-	-	-	-

Note 1 : Vice Chairman of Hwa Fong Rubber Ind. Co., Ltd./ Vice Chairman of Mediera Corporation/ Consultant of Jui Li Enterprise Co.,Ltd./ Consultant of Jian Sin Industrial Co.,Ltd.

Note 2 : Professor, Department of Financial, Tunghai University /Chairman of Taiwan Financial Development Association /Independent Director of PAIHO SHIH HOLDINGS CORPORATION/ Independent Director of Shehkai Precision Co., Ltd /Independent Director of AKER Co., Ltd.

Note 3 : Independent Director of Lucky Cement Corporation/ Director of The Securities and Futures Investors Protection Center /Director of The Financial Ombudsman Institution /Arbitrator of Chinese Arbitration Association / Vice President of Chinese Culture University, Dean of the College of Law, concurrently serving as Chair of the Department of Law and Director of the Graduate Institute of Law /Distinguished Professor, College of Law, National Chung Cheng University/Adjunct Professor, School of Law, Soochow University

Note 4 : Independent Director of Yummy Town (Cayman) Holdings Corporation/ Independent Director of TECO ELECTRO DEVICES CO., LTD/ Independent Director of Taiwan Pelican Express Co., Ltd.

Note 5 : In terms of the experience related to the current position, if a person has worked at a CPA firm which performed audits or an associate, his job title and responsibilities shall be specified here: None.

Note 6 : Where the chairperson and president or equivalent position (highest level executive officer) is the same person, the spouse, or a first-degree relative, the reason, reasonableness, necessity, and response measures (such as increasing the number of independent director seats and more than half of all directors not concurrently serving as employees or executive officers) must be disclosed: None.

1. Major Shareholders of Corporate Shareholder:

31 March 2025

Name of institutional shareholders	Major shareholders
CHUAN-FENG INVESTMENT CORPORATION	Jing Cheng International Holdings Corporation (62.49%)
Yong-Heng Investment Corporation.	Jing Cheng International Holdings Corporation (100%)

2. Major Shareholders of Major Shareholders of Corporations:

31 March 2025

Name of institutional shareholders	Major shareholders
Jing Cheng International Holdings Corporation	Lin, I-Gin (99.32%)

3. Professional Qualifications and Independence Analysis of Directors:

Qualifications Position Name	Professional qualifications and experience (Note 1 and 2)	Independence (Note 3)	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent director
CHUAN-FENG INVESTMENT CORPORATION Representative: Yu-Yin, Lin	Being a chairman of the Company and President of Dyaco Canada Inc. On top of his excellent leadership and strategic management skills, being an expert in fitness industry help foreseeing industry trends and development.	(1) ∙ (3) ∙ (4) ∙ (6) ∙ (7) ∙ (8) ∙ (9) ∙ (10) ∙ (11) ∙ (12)	-
Zhuang, Zhu-Wei	Being a director and CEO of CHANITEX Co., LTD, chairman of CHANITEX Education Foundation, and independent directors of many listed companies has come with excellent decision making and business management skills in a wide variety of industries.	(1) ∙ (2) ∙ (3) ∙ (4) ∙ (5) ∙ (6) ∙ (7) ∙ (8) ∙ (9) ∙ (10) ∙ (11) ∙ (12)	1
Yong-Heng Investment Corporation. Representative: : Chiu Shih-Chien	Being a Vice Chairman of Hwa Fong Rubber Ind. Co., Ltd., vice Chairman of Mediera Corporation Inc, and independent directors of many listed companies has come with excellent decision making and business management skills in a wide variety of industries.	(1) ∙ (2) ∙ (3) ∙ (4) ∙ (5) ∙ (6) ∙ (7) ∙ (8) ∙ (9) ∙ (10) ∙ (11) ∙ (12)	-
Wang, Kai-Li	Served in Professor, Department of Financial, Tunghai University, Chairman of Taiwan Financial Development Association, Independent Director of PAIHO SHIH HOLDINGS CORPORATION, Independent Director of Shehkai Precision Co., Ltd, Independent Director of AKER Co., Ltd, has come with excellent financial and corporate governance experiences.	(1) ∙ (2) ∙ (3) ∙ (4) ∙ (5) ∙ (6) ∙ (7) ∙ (8) ∙ (9) ∙ (10) ∙ (11) ∙ (12)	3
Wang, Chih-Cheng	Served in director of The Securities and Futures Investors Protection Center, director of The Financial Ombudsman Institution, Arbitrator of Chinese Arbitration Association, Department head, Department of law, Chinese Culture university and independent directors of many listed companies, has come with excellent legal and corporate governance experiences.	(1) ∙ (2) ∙ (3) ∙ (4) ∙ (5) ∙ (6) ∙ (7) ∙ (8) ∙ (9) ∙ (10) ∙ (11) ∙ (12)	3
Wu, Jiin-Po	Former Associate Professor at Tamkang University's Department of Information Management, served as Supervisor in the eighth and ninth terms of the Company. Familiar with the Company's operations, possessing practical expertise in information and corporate governance.	(1) ∙ (2) ∙ (3) ∙ (4) ∙ (5) ∙ (6) ∙ (7) ∙ (8) ∙ (9) ∙ (10) ∙ (11) ∙ (12)	-
Tu, Chi-Yao	Currently a partner at Deloitte Taiwan, and serving as an independent director for other listed companies. Possesses practical expertise in taxation, accounting, and corporate governance.	(1) ∙ (2) ∙ (3) ∙ (4) ∙ (5) ∙ (6) ∙ (7) ∙ (8) ∙ (9) ∙ (10) ∙ (11) ∙ (12)	3

Note 1: Professional qualifications and experience: Details the professional qualifications and experience of individual director. Those who are members of the Audit Committee and who possess accounting or financial expertise should clearly explain their accounting or finance background and work experience.

Note 2: The matters stipulated in all paragraphs of Article 30 of the Company Act do not describe the directors mentioned above. For the academic experiences and position information of the Directors, please refer to 3. Corporate Governance Report (II) Information on directors, supervisors, presidents, vice presidents, assistant managers, and

managers of each department and branch:

Note 3: The independent directors shall explain their compliance of independence, including, but not limited to, whether the person, person's spouse, or their relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliates. The shareholdings of the person, person's spouse, or relative within the second degree of kinship (or using the name of others) and the ratio. Whether the person serves as a director, supervisor, or employee of companies with specific relationships with the Company (refer to Items 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). The remuneration received for providing business, legal, financial, or accounting services to the Company or its affiliated enterprises in the most recent 2 years. Independence of Directors and Independent Directors in the two years before appointment and during their term. Those who comply will be disclosed above.

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

(2) Directors and supervisors who are not part of the Company or its affiliated companies (except if the Company and its parent company, subsidiary, or subsidiary of the same parent company are independent directors set up in accordance with this law or local laws and regulations).

(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 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings. (

(4) Not a manager in (1) or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of personnel in (2) and (3).

(5) Not directors, supervisors or legal shareholders who directly hold more than 5% of the total issued shares of the Company, in the top five for shareholdings, or appointed a representative as a director or supervisor of the Company in accordance with Paragraph 1 or 2, Article 27 of the Company Act (except for those who concurrently serve as independent directors established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with this law or local laws and regulations).

(6) Not a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company (but concurrent independent directors of the Company or its parent company, subsidiary or subsidiary of the same parent company as established by this law or local laws and regulations are not limited by this).

(7) Directors, supervisors or employees of other companies or institutions that are not the same person or spouse as the chairman, president or equivalent positions of the Company (but concurrent independent directors of the Company or its parent company, subsidiary or subsidiary of the same parent company as established by this law or local laws and regulations are not limited by this).

(8) Not directors, supervisors, managers, or shareholders holding more than 5% of shares of a specific company or organization that is in financial or business dealings with the Company (but if a specific company or organization holds more than 20% but less than 50% of the Company's total issued shares, and the concurrent independent directors of the Company or its parent company, subsidiary or subsidiary of the same parent company as established by this law or local laws and regulations are not limited by this).

(9) Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof. However, this does not apply to members of the Remuneration Committee, Public Acquisition Review Committee, or Mergers and Acquisitions Special Committee who perform their duties in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers and Acquisitions Act.

(10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company;

(11) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.

(12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C

Note 4 : The diversity and Independence of the Board of Director :

(1)The diversity of the Board of Director : Please refer to 3.3.3.

(2)Independence of the Board of Directors: The Board of Directors consists of seven members, including four independent directors and three directors (57% and 43% of the total number of directors, respectively). A spousal relationship or a familial relationship within the second degree of kinship does not exist among directors. Therefore, it complies with the requirements of Article 26-3, paragraph 3 of the Securities and Exchange Act.

2.1.2 President, Executive Vice Presidents, and Senior Vice Presidents of Divisions

March 31, 2025; Units: Shares

Title	Nationality	Name	Gender	Elected Date	Shares Held		Shares Held by Spouse & Minors		Shares held under names of others		Education & Key Past Positions	Positions Held Concurrently	Related to President, Executive Vice Presidents and Senior Vice Presidents of Divisions			Employee subscription warrants	Remark	
					Shares	%	Shares	%	Shares	%			Title	Name	Relation			
Chief Executive Officer	ROC	Hsu, Wen-Bin	Male	2021.01.01	824,769	0.46%	43,375	0.02%	-	-	Founder of Hsumao Industrial Co., LTD. Executive Assistant of Dyaco International Inc.	-	-	-	-	-	-	
Chief Operating Officer	ROC	Tseng, Yu-Hsiang	Male	2022.03.09	34,650	0.01%	-	-	-	-	Concordia University B.A Economic Sales Director, Suzhou Zhongyao Technology Co., Ltd. Senior Sales Manager, KINPO ELECTRONICS, INC.	-	-	-	-	-	-	
Chief Strategy Officer	ROC	Ting, Ping-I	Male	2023.12.27	113,914	0.06	-	-	-	-	Tamkang University B.S Department of Statistics EMBA, National Taiwan University CEO of Dyaco International Inc, CEO of MJ Health Group Vice President of Greenmaster industrial Corporation	-	-	-	-	-	-	
President	ROC	Chen, Ming-Nan	Male	2017.07.12	669,748	0.37%	257,947	0.14%	-	-	EMBA, Feng Chia University Vice President, the R&D Department of Dyaco International Inc.	-	-	-	-	-	-	
Executive V.P. and Chief Financial Officer	ROC	Wu, Mei-Hua	Female	1998.05.01	958,112	0.53%	5,575	0.00%	-	-	EMBA, National Taipei University Accounting Officer, HOE HIN PAK FAH YEOW MANUFACTORY LIMITED Vice President, the Financial Department of Dyaco International Inc.	Supervisor of Dyaco (Shanghai) Trading Co., Ltd. Director of Yong-Heng Investment Corpoartion Directot of Chih-Ling Investment Corpoartion President of Daan Health Management Consulting Co., Ltd. Director of Wing Long Co., Ltd. Supervisor of Shelton Corporation (Jiaxing), Ltd. Supervisor of PRESIDENT PLASTIC PRODUCTS MFG. CO., LTD.	-	-	-	-	-	-
Senior V.P. of Domestic Business Division	ROC	Cheb, Song-Guo	Male	2024.05.01	26,300	0.01%	-	-	-	-	Associate Degree in Business Management, Ching Wen Institute of Technology Associate Manager, Lico Corporation	-	-	-	-	-	-	
Chief Technology	US	Brian Keith	Male	2008.04.22	52,755	0.03%	6,458	0.00%	-	-	BSEE Degree from New York Institute of Technology	-	-	-	-	-	-	

Title	Nationality	Name	Gender	Elected Date	Shares Held		Shares Held by Spouse & Minors		Shares held under names of others		Education & Key Past Positions	Positions Held Concurrently	Related to President, Executive Vice Presidents and Senior Vice Presidents of Divisions			Employee subscription warrants	Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation		
Officer		Murray									Cybox engineering supervisor · Diamondback Fitness Vice president						
Senior V.P. of Production Department	ROC	Lo, Teng-I	Male	2017.09.01	284,016	0.16%	48,087	0.03%	-	-	Bachelor of Chienkuo Technology University Vice General Manager, the Production Department of Dyaco International Inc.	-	-	-	-	-	-
Senior V.P. of Financial Department Chief Accountant Officer Chief of Corporate Governance Affairs	ROC	Chiu, Yuan-Sheng	Male	2013.12.27	218,962	0.12%	-	-	-	-	Master of the Department of Financial, Shih Hsin University Manager, the underwriting of TISC Pricewaterhousecoopers Taiwan	Supervisor of Wing Long Co., Ltd. Supervisor of Daan Health Management Consulting Co., Ltd.					
Senior V.P. of R&D Department	ROC	Huang, Hsuan-Fu	Male	1997.07.23	43,913	0.02%	-	-	-	-	EMBA, College of Business, Feng Chia University General Manager, the R&D Department of Dyaco International Inc.	-	-	-	-	-	-
Senior V.P. of Sales Department	ROC	Hsu, Li-Wen	Female	1999.07.07	113,861	0.07%	-	-	-	-	EMBA, Tunghai University General Manager, the Sales Department of Dyaco International Inc.	-	-	-	-	-	-
Senior V.P. of Sales Department	ROC	Huang, Yu-Chih	Female	2013.03.05	76,997	0.04%	-	-	-	-	EMBA, National Taiwan University Assistant Manager of Sales, Chi Yu Co., Ltd General Manager, the Sales Department of Dyaco International Inc.	-	-	-	-	-	-
Senior V.P. of Medical Rehabilitation Department	ROC	Lin, Shih-Chieh	Male	2013.03.05	77,276	0.04%	-	-	-	-	MBA, University of North Alabama Director of Chungghwa Yuming Healthcare Co., Ltd. Sales Manager, ZUELLIG PHARMA, INC.	Supervisor of Daan Health Management Consulting Co., Ltd.	-	-	-	-	-
V.P. of Management Department	ROC	Lin, Wei-Hsu	Male	2008.05.12	23,396	0.01%	3,143	0.00%	-	-	Master of Business and Information, Hua Fan University Supervisor, the Warehousing Department of SOLE ENERGY TECH CORP. Manager, the Operational Department of ACTI CORPORATION	-	-	-	-	-	-

Title	Nationality	Name	Gender	Elected Date	Shares Held		Shares Held by Spouse & Minors		Shares held under names of others		Education & Key Past Positions	Positions Held Concurrently	Related to President, Executive Vice Presidents and Senior Vice Presidents of Divisions			Employee subscription warrants	Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation		
V.P. of Production Management Department	ROC	Li, Mei-Yu	Female	2012.08.16	80,683	0.05%	-	-	-	-	Bachelor of Chemical Engineering, Cheng Shiu University General Manager, the Production Management Department of Dyaco International Inc.	-	-	-	-	-	-
V.P. of Legal and Patent Affairs Department	ROC	Li, Che-Jung	Male	2013.06.19	25,000	0.00%	-	-	-	-	Bachelor of Chemical Engineering, Feng Chia University Patent senior engineer of Starconn Electronics	-	-	-	-	-	-
V.P. of Accounting Department	ROC	Wu, Shu-Mei	Female	2016.09.01	39,255	0.02%	-	-	-	-	Master of Accounting, Tamkang University V.P. of Accounting Department	-	-	-	-	-	-
V.P. of Sales Department		Ho, Chieh-Shun	Male	2017.09.20	35,910	0.02%	-	-	-	-	Master of Business Administration, Manchester Business School President, the Taiwan branch of Gerage Jemnen EMBA, International Business of National Taiwan University Director, JT TOBACCO INTERNATIONAL TAIWAN CORP. Spokesperson, JT TOBACCO INTERNATIONAL TAIWAN CORP. General Manager, LIULIGONGFANG	-	-	-	-	-	-
V.P. of Procurement Department		Li, Tai-Lan	Female	2018.11.01	49,806	0.003%	35,352	0.02%	-	-	Bachelor of Business Administration, Chienkuo Technology University	-	-	-	-	-	-

Note 1 : Where the president or equivalent position (highest level executive officer) is the same person, the spouse, or a first-degree relative, the reason, reasonableness, necessity, and response measures (such as increasing the number of independent director seats and more than half of all directors not concurrently serving as employees or executive officers) must be disclosed: None.

Note 2 : In terms of the experience related to the current position, if a person has worked at a CPA firm which performed audits or an associate, his job title and responsibilities shall be specified here: None.

2.2. Remuneration of Directors, Supervisors, President, and Vice President for the most recent year

2.2.1 Remuneration of Directors and Independent Directors

Unit: NT\$1,000; 1,000 Shares; %

Title	Name	Remuneration								The Aggregate of A, B, C, and D as Percentage of Net Income		Relevant Remuneration Received by Who are also Employees								The Aggregate of A, B, C, D, E, F and G as Percentage of Net Income		Any Other Compensation from Other Investees or Parent Comany
		Base Compensation (A)		Base Compensation (A)		Salaries, Bonuses and Special Allowances (E)		Salaries, Bonuses and Special Allowances (E)				Salaries, Bonuses and Special Allowances (E)		Severance Pay and Pensions (F)		Employees' Compensation (G)						
		From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco Stock		From All Consolidated Entities Stock		From Dyaco	From All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairman	CHUAN-FENG INVESTMENT CORPORATION Representative: Lin, Yu-Yin	3,583	3,583	-	-	-	-	90	90	5.26	5.26	-	-	-	--	-	-	-	-	5.26	5.26	-
Director	Zhuang, Zhu-Wei	-	-	-	-	-	-	75	75	0.11	0.11	-	-	-	--	-	-	-	-	0.11	0.11	-
Director	Yong-Heng Investment Corporation. Representative: Chiu Shih-Chien	-	-	-	-	-	-	75	75	0.11	0.11	-	-	-	--	-	-	-	-	0.11	0.11	-
Independent Director	Wang, Kai-Li	600	600	-	-	-	-	90	90	0.99	0.99	-	-	-	--	-	-	-	-	0.99	0.99	-
Independent Director	Wang, Chih-Cheng	600	600	-	-	-	-	90	90	0.99	0.99	-	-	-	--	-	-	-	-	0.99	0.99	-
Independent Director	Wu, Jiin-Po	600	600	-	-	-	-	90	90	0.99	0.99	-	-	-	--	-	-	-	-	0.99	0.99	-
Independent Director	Tu, Chi-Yao	600	600	-	-	-	-	90	90	0.99	0.99	-	-	-	--	-	-	-	-	0.99	0.99	-

Note 1 : Please describe the policies, systems, standards, and structure of independent directors' remuneration, and explain the relevance with the amount of remuneration based on their responsibilities, risks, and time investment:

- Pursuant to Article 24 of the Company's Articles of Incorporation, the remuneration of the directors of the Company shall be distributed at a rate not exceeding 5% of the profitability of the current year. The procedures for determining remuneration shall be subject to the regulations on the Company's Board of Directors' self-evaluation or peer review. Article 21 of the Company's Articles of Incorporation states that the compensation of directors shall be determined by the Remuneration Committee regarding the extent of their participation in and contribution to the operations, with the reasonable fairness of performance risks linked to the compensation received, and the Board of Directors authorized to

make payments in accordance with the Remuneration Committee's assessment and the usual standards of the industry.

2. The Company's Articles of Incorporation also stipulate that director remuneration shall not exceed 5% of annual profits. Therefore, the Company adheres to the provisions of the Remuneration Committee Charter and is reviewed by the Committee. The principles of remuneration distribution are as follows:

(1) Taking into account the operating performance of the current year, with priority given to the interests of shareholders and employees;

(2) Independent directors serving on functional committees bear responsibilities for participating in committee meetings and decisions, hence their remuneration is higher than that of general directors. However, the Company's Board of

Directors resolved not to distribute directors' remuneration for the year 2024

Note 2 : Except for the disclosure above, remuneration paid to the Company's directors for their services to all the companies listed in the financial statements (e.g., serving as a non-employee adviser): None.

Remuneration Range Table

Bracket	Name of Directors			
	The Aggregate of A, B, C, and D		The Aggregate of A, B, C, D, E, F, G, H and I	
	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities
Under NT\$ 1,000,000	Zhuang, Zhu-Wei Chiu Shih-Chien Wang, Kai-Li Wang, Chih-Cheng Tu, Chi-Yao Wu, Jiin-Po			
NT\$1,000,000~ NT\$2,000,000	-	-	-	-
NT\$2,000,000~ NT\$3,500,000	-	-	-	-
NT\$3,500,000~ NT\$5,000,000	Lin, Yu-Yin	Lin, Yu-Yin	Lin, Yu-Yin	Lin, Yu-Yin
NT\$5,000,000 ~ NT\$10,000,000	-	-	-	-
NT\$10,000,000 ~ NT\$15,000,000	-	-	-	-
NT\$15,000,000 ~ NT\$30,000,000	-	-	-	-
NT\$30,000,000 ~ NT\$50,000,000	-	-	-	-
NT\$50,000,000 ~ NT\$100,000,000	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	7	7	7	7

2.2.2 Remuneration of President and Vice President

Unit: NT\$1,000; 1,000 Share

Title	Name	Base Compensation (A)		Severance Pay and Pensions (B)		Bonuses and Special Allowances (C)		Employees' Compensation (D)				The Aggregate of A, B, C, and D as Percentage of Net Income		Any Other Compensations from Other Investees or Parent Comany
		From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco	From All Consolidated Entities	From Dyaco		From All Consolidated Entities		From Dyaco	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
Chief Executive Officer	Hsu, Wen-Bin	24,579	26,682	1,047	1,047	-	-	-	-	-	-	-	-	-
President	Chen, Ming-Nan													
Chief Operating Officer	Tseng, Yu-Hsiang													
Executive V.P.	Wu, Mei-Hua													
Executive V.P.	Li, Chi-Jung													
Chief Strategy Officer	Ting, Ping-I													
Seinor V.P.	Hsu, Li-Wen													
Seinor V.P.	Huang, Hsuan-Fu													
Seinor V.P.	Huang, Yu-Chih													
Seinor V.P.	Chiu, Yuan-Sheng													
Seinor V.P.	Lo, Teng-I													
Seinor V.P.	Lin, Shih-Chieh													
Seinor V.P.	Chen, Song-Guo													
Chief Technology Officer	Brian Keith Murray													

Note: Executive Vice President Lee Chi-Jung stepped down on April 30, 2024.

Remuneration Range Table

Bracket	Name of President and Vice President	
	From Dyaco	From All Consolidated Entities
Under NT\$ 1,000,000	Li, Chi-Jung Tseng, Yu-Hsiang	Li, Chi-Jung Tseng, Yu-Hsiang
NT\$1,000,000 ~ NT\$2,000,000	Wu, Mei-Hua Chiu, Yuan-Sheng Chen, Song-Guo Hsu, Li-Wen Huang, Hsuan-Fu Lo, Teng-I Huang, Yu-Chih	Wu, Mei-Hua Chiu, Yuan-Sheng Chen, Song-Guo Hsu, Li-Wen Huang, Hsuan-Fu Lo, Teng-I Huang, Yu-Chih
NT\$2,000,000 ~ NT\$3,500,000	Brian Keith Murray Hsu, Wen-Bin Ting, Ping-I Chen, Ming-Nan Lin, Shih-Chieh	Brian Keith Murray Hsu, Wen-Bin Ting, Ping-I Chen, Ming-Nan Lin, Shih-Chieh
NT\$3,500,000 ~ NT\$5,000,000	-	-
NT\$5,000,000 ~ NT\$10,000,000	-	-
NT\$10,000,000 ~ NT\$15,000,000	-	-
NT\$15,000,000 ~ NT\$30,000,000	-	-
NT\$30,000,000 ~ NT\$50,000,000	-	-
NT\$50,000,000 ~ NT\$100,000,000	-	-
Over NT\$100,000,000	-	-
Total	14	14

Note: Executive Vice President Lee Chi-Jung stepped down on April 30, 2024.

2.2.3 Name of executive officers that received employee bonuses and status of the distribution : The

Company incurred a net loss after tax for the year 2023. As approved by the Board of Directors, no distribution is proposed; therefore, this is not applicable.

2.2.4 Compare and describe separately the analysis of total remunerations paid to the Company's directors, supervisors, president, and vice presidents for the past two years by the Company and all companies in the consolidated report as a percentage of the net income after tax, and describe the correlation among the remuneration payment policy, standards and combination, remuneration establishing procedures, and management performance and future risks:

1. The analysis of total remunerations paid to the Company's directors, supervisors, president, and vice presidents for the past two years as a percentage of the net income after tax :

Items	2023				2024			
	From Dyaco		From All Consolidated Entities		From Dyaco		From All Consolidated Entities	
	Total Amount	Ratio of the total remuneration to net income after tax	Total Amount	Ratio of the total remuneration to net income after tax	Total Amount	Ratio of the total remuneration to net income after tax	Total Amount	Ratio of the total remuneration to net income after tax
Directors' remuneration	7,140	Note	7,140	Note	6,583	9.15%	6,583	9.42%
President and Vice Presidents' remuneration	22,088	Note	22,088	Note	25,626	35.62%	27,729	39.68%

Note 1: The Company's loss for the year 2023, not applicable.

Note 2: The Company's pre-tax net loss for the year 2023. In accordance with the provisions of Article 24 of the Company's Articles of Association, no director remuneration will be distributed in the absence of profit.

Note 3: The total remuneration for directors, the president, and vice presidents in 2024 increased compared to 2023, primarily due to an increase in net income after tax for 2024, as well as higher employee compensation and bonuses

2. The correlation among the remuneration payment policy paid to directors, supervisors, president, and vice presidents, standards and combination, remuneration establishing procedures, and management performance.

(1) The policy, standards, and composition of compensation payments :

- A. The Company has a Remuneration Committee which establishes and regularly reviews the policies, systems, standards and structures for the annual and long-term performance evaluation and compensation of directors and managers.
- B. The remuneration paid by the Company to the directors in 2024 refers to the remuneration of the directors for the performance of their business, and the compensation of the directors allocated. In the event of moral hazard, other adverse events that may impair the Company' s reputation or goodwill, internal mismanagement, or corrupt practices, the reasonable compensation to directors shall be adjusted with respect to their participation in and contribution to the operations. The Board of Directors is authorized to distribute compensation in accordance with the Remuneration Committee' s assessment and the typical pay levels adopted by peer companies.
- C. The Articles of Incorporation states that directors can be paid up to 5% of net profits as remuneration. Therefore, the Company follows the provisions of the Remuneration Committee's charter and the remuneration reviewed by the Committee is as follows.
 - a. To prioritize the interests of shareholders and employees based on the current year's operating results.

- b. The remuneration to independent directors is higher than that to the directors because they serve as members of functional committees and have the responsibility to participate in discussions and resolutions at committee meetings.
- D. The remuneration for the general manager and deputy general manager (level) is salary, bonus and employee bonus. Salary and bonus are handled in accordance with the company's personnel regulations and "annual mid-term and final employee performance appraisal procedures". All reward and punishment cases will be handled fairly and impartially in accordance with this method and included in the performance appraisal indicators of the current year. Employee bonuses are determined based on the distribution of the annual profit and the company's articles of association. Such remuneration is calculated based on the position held, the responsibilities assumed, and whether there are moral risk events or other risk events that have a negative impact on the company's image and reputation, internal mismanagement, personnel malpractice, etc., and the manager's target achievement rate, profit rate, operating efficiency, contribution, etc. are taken into account. Reasonable remuneration is given, and the reasonable fairness of performance risk is linked to the remuneration received, and it is set with reference to the standards of similar positions in the same industry.

(2)The procedures for determining compensation:

The remuneration of directors and managers shall be regularly evaluated and determined by the Company's Remuneration Committee and submitted to the Board of Directors for approval.

(3)The correlation with business performance

- A. The fixed compensation and concurrent remuneration for directors have taken into account the Company' s operational goals, financial condition, and the responsibilities of the directors.
- B. Bonuses and compensation for managers, as well as remuneration for the CEO and President, are determined based on their professional capabilities and the Company' s operational and financial performance. For Executive Vice Presidents, Branch General Managers, and Hospital Deans, compensation is linked to the "Company' s performance" and "individual performance" through the Company's senior management performance evaluation system. ESG sustainability performance is also considered as a factor in determining variable compensation.

C. The Company has established a senior management performance management policy and a related rewards and compensation policy. ESG sustainability goals are incorporated into the performance management system and extended to the senior executives under their supervision for implementation. ESG performance of senior managers is directly tied to individual corporate bonuses and total employee compensation through a set annual linkage factor. The linkage factor is increased annually to strengthen the connection between ESG performance and variable compensation.

(4) The correlation with Future Risks

Key decisions made by the Company's management are carefully considered with respect to various risk factors. The outcomes of these decisions are reflected in the Company's profitability, which is directly linked to management's compensation. In other words, the remuneration of the Company's directors, Chairman, President, and Executive Vice Presidents is related to their effectiveness in managing future risks.

2.3. Implementation of corporate governance

2.3.1 The Board meeting status

1. Six Board meetings were convened in 2024 (A). The directors' attendance status was as follows.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) 【 B/A 】	Note
Chairman	Chuan-Feng Investment Corporation Representative: Lin, Yu-Yin	6	-	100%	Replacement on November 10, 2023
Director	Zhuang, Zhu-Wei	5	1	83%	Appointed on May 26, 2023.
Director	Yong-Heng Investment Corporation Representative: Chiu Shih-Chien	5	1	83%	Resignation on October 19, 2023.
Independent Director	Wang, Kai-Li	6	-	100%	Appointed on May 26, 2023.
Independent Director	Wang, Chih-Cheng	6	-	100%	Appointed on May 26, 2023.
Independent Director	Wu, Jiin-Po	6	-	100%	Appointed on May 26, 2023.
Independent Director	Tu, Chi-Yao	6	-	100%	Appointed on May 26, 2023.

2. Other required notes for the Board meetings:

- (1) In the event of either of the following situations, dates, sessions, contents of resolutions of the Board meetings, opinions from all independent directors, and Company responses to their opinions should be noted:

A. Matters listed in the Securities and Exchange Act §14-3.

Board Meeting Dates	Resolution	Any Independent Director Had a Dissenting Opinion or Qualified Opinion	
1. The 4th meeting of the 12th Board on March 12, 2024	(1). Loaning of funds for the subsidiaries of the Company.	None	
	(2). Determining whether there were loaning funds to unrelated parties in this quarter.	None	
	(3). Approval of 2023 annual financial statements and business report.	None	
	(4). Approval of 2023 statement of internal control system.	None	
	(5). Approval of 2023 Annual Dividend Distribution.	None	
	(6). Review to new shares through capitalization of capital surplus.	None	
	(7). Amendment to the "Articles of Incorporation" .	None	
	Independent directors' opinions: None.		
	The Company' s responses to independent directors' opinions: None.		
	Resolution: All directors present at the meeting approved.		
2. The 5th meeting of the 12th Board on May 13, 2024	(1). Loaning of funds for the subsidiaries of the Company.	None	
	(2). Approval of 2024 the first quarter consolidated financial statements.	None	
	(3). Apply for bank loans.	None	
	(4). Fuel Spirit made loans to parent company.	None	
	(5). 2024 GHG inventory scope.	None	
	Independent directors' opinions: None.		
	The Company' s responses to independent directors' opinions: None.		
	Resolution: All directors present at the meeting approved.		
3. The 6th meeting of the 12th Board on Jun 4, 2024	(1). Switch to a new CPA from 2024..	None	
	(2). Board of Directors Resolution to Acquire Real Property from the subsidiary Iuvo.	None	
	(3). Capital reduction in cash on behalf of subsidiary.	None	
	(4). The Company made loans to sub-subsidiary IUVO.	None	
	(5). The Company made loans to sub-subsidiary Winglong.	None	
	(6). Approval of 2023 Sustainability Report.	None	
	Independent directors' opinions: None.		
	The Company' s responses to independent directors' opinions: None.		
	Resolution: All directors present at the meeting approved.		
4. The 7st meeting of the 13th Board on August 13, 2024	(1). Loaning of funds for the subsidiaries of the Company.	None	
	(2). Approval of 2024 the second quarter consolidated financial statements.	None	
	(3). Apply for bank loans.	None	

Board Meeting Dates	Resolution	Any Independent Director Had a Dissenting Opinion or Qualified Opinion
	(4). Resolved to recognize financial asset impairment in accordance with IFRS 9	None
	Independent directors' opinions: None.	
	The Company' s responses to independent directors' opinions: None.	
	Resolution: All directors present at the meeting approved.	
5. The 8nd meeting of the 12th Board on November 12, 2024	(1). Loaning of funds for the subsidiaries of the Company.	None
	(2). Resolution to establish a subsidiary in Thailand	None
	(3). .Approval of 2024 the third quarter consolidated financial statements.	None
	(4). .Apply for bank loans.	None
	(5). Approval of the capital increase through the issuance of common shares.	None
	(6). Approval of the issuance of the fourth domestic unsecured corporate bond.	None
	Independent directors' opinions: None.	
	The Company' s responses to independent directors' opinions: None.	
	Resolution: All directors present at the meeting approved.	
6. The 9rd meeting of the 12th Board on December 30, 2024	(1). President Plastic Products MFG. Co., Ltd. made endorsements/guarantees for the Company.	None
	(2). The Company made endorsements/guarantees for IUVO.	None
	(3). Apply for bank loans. °	None
	(4). 2024 Assessment of independence of CPAs.	None
	(5). Resolution on the Investment Plan to Establish a Factory in Thailand.	None
	Independent directors' opinions: None.	
	The Company' s responses to independent directors' opinions: None.	
	Resolution: All directors present at the meeting approved.	

B. Besides the above-mentioned matters, other resolutions of the Board on which independent directors had dissenting or qualified opinions, and that were documented or issued through written statements: None.

(2) The Board reports on the implementation of corporate governance

Board Meeting Dates	Corporate Governance Implementation Status	Attendance and Directors' Response
The 6th meeting of the 12th Board on June 4, 2024	(1). Report: Communication between governance unit and CPAs. (2). Report: Communication between governance unit and internal auditors.	All directors present at the meeting acknowledged resolutions.
The 9rd meeting of the 12th Board on December 30, 2024	(1). Report: Corporate Sustainable Development implementation status in 2024. (2). Report: Ethical Corporate Management implementation status in 2024. (3). Report: Stakeholder reporting and communication in 2024. (4). Report: Status of the intellectual property management scheme in 2024 (5). Report: Implementation of risk management policies in 2024. (6). Report: Communication between governance unit and CPAs. (7). Report: Reviewing on the 2024 programs for director education and the 2025 director education plans..	All directors present at the meeting acknowledged resolutions.

(3) In the event of recusals of directors due to conflicts of interests, the name of the directors, the motion, the grounds for recusal and the participation in voting should be noted:

Name	Date	Motion	Grounds for Recusal	Participation in Voting
Chuan-Feng Investment Corporation Representative: Lin, Yu-Yin, Zhuang, Zhu-Wei, Yong-Heng Investment Corporation Representative: Chiu Shih-Chien, Wang, Kai-Li, Wang, Chih-Cheng, Tu, Chi-Yao, Wu, Jiin-Po	The 9rd meeting of the 12th Board on December 30, 2024	To evaluate the remuneration of the Company's directors and managers.	Chuan-Feng Investment Corporation Representative: Lin, Yu-Yin, Zhuang, Zhu-Wei, Yong-Heng Investment Corporation Representative: Chiu Shih-Chien, Wang, Kai-Li, Wang, Chih-Cheng, Tu, Chi-Yao, Wu, Jiin-Po were interested parties.	Except directors recused themselves from the discussion and voting, other directors present at the meeting approved based on resolutions of the Compensation Committee.

(4) Evaluation of targets for strengthening of the functions of the Board during the current and immediately preceding fiscal years (e.g. setting up an Audit Committee, enhancing information transparency, etc) :

- A. The Company adopted procedures for Board self-assessment or peer evaluation on Board meeting of November 11, 2016 and completed Board self-assessment report in December 2023. The result of the internal assessment is expected to be reported to the Board at its first quarter meeting in 2025 and disclosed on Company website.
- B. To enhance the transparency of information, the Company issues major operations news in the form of material information.
- C. The Company immediately discloses major resolutions on the Market Observation Post System after the Board meeting to protect shareholders' rights and interests, has a designated person responsible for the collection and disclosure of Company information, and establishes a spokesperson system to ensure timely and proper release of material information for shareholders and stakeholders.
- D. The Company continually arranges professional training for directors. A total of 60 hours of director training with respect to the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report. The training was as follows.

Name	Date	Host by	Training/Speech Title	Duration	Total Hours
CHUAN-FENG INVESTMENT CORPORATION Representative: Lin, Yu-Yin	2024/5/3	Securities & Futures Institute	Sustainable Development Practice Publicity Meeting	3	6
	2024/5/24	Taiwan Institute of Director	Family Office Series Courses	3	
Zhuang, Zhu-Wei	2024/3/1	Taiwan Corporate Governance Association	Hostile Takeover Defense and Directors' and Supervisors' Responsibilities in Corporate Mergers and Acquisitions	3	6
	2024/3/26	Chinese National Association of Industry and Commerce	How to Align with International Carbon Trading and Foster Corporate Innovation Opportunities	3	
YONG-HENG INVESTMENT CORPORATION Representative: Chiu, Shih-Chien	2024/8/13	Taiwan Corporate Governance Association	Exploring Corporate Sustainable Transformation through ESG Investment and Financing	3	6
	2024/11/12	Taiwan Corporate Governance Association	Trends and Practical Insights in Corporate Mergers and Acquisitions	3	
Wang, Kai-Li	2024/8/8	Taiwan Corporate Governance Association	Discussion on Key Issues of Insider Trading and Market Manipulation	3	6
	2024/8/8	Taiwan Corporate Governance Association	Sustainable Transformation and International Trends	3	
Wang, Chih-Cheng	2024/7/3	Taiwan Stock Exchange	2024 Finance and Climate Change Summit	6	18
	2024/6/21	Chinese Culture University	2024 Annual Seminar on Administrative Litigation Cases of Campus Gender Issues	6	
	2024/8/7	Securities & Futures Institute	Artificial Intelligence's Impact on Business Risks and Key Considerations	3	
	2024/11/6	Securities & Futures Institute	Prevention of Insider Trading and the Latest Practical Developments	3	
Tu, Chi-Yao	2024/8/14	Taiwan Corporate Governance Association	Trends in Smart Manufacturing and the Application of Digital Technology in Business Management	3	6
	2024/10/25	Securities & Futures Institute	2024 Annual Seminar on Legal Compliance for Insider Stock Transactions	3	
Wu, Jiin-Po	2024/7/4	Commerce Development Research Institute	ESG Sustainable Management Certification Professional Instructor Training Camp	12	12

(5) Board Performance Evaluation:

A. Performance Evaluation and Compensation

Pursuant to §24 of the Company' s Articles of Incorporation, not more than 5 percent of profit of the current year shall be distributed as compensation to directors. The procedures for determining compensation shall be subject to Board self-assessment or peer evaluation and stated in §21 of the Company' s Articles of Incorporation. The directors' compensation shall be determined by the Compensation Committee with respect to their participation in and contribution to the operations. The Board is authorized to distribute compensation in accordance with the Compensation Committee' s assessment and the typical pay levels

adopted by peer companies.

In the event of moral hazard, other adverse events that may impair the Company's reputation or goodwill, internal mismanagement, or corrupt practices, the reasonable compensation to directors shall be adjusted with respect to their participation in and contribution to the operations.

B. Result of Performance Evaluation

The Company adopted procedures for Board self-assessment or peer evaluation on Board meeting of November 11, 2016. Beginning in 2016, performance evaluation is annually completed in December by the Board as a whole through self-assessment surveys via questionnaires. External board performance evaluation is performed at least once every three years by an external professional independent organization or a team of external experts, with current year performance evaluation conducted at the end of the year.

(a) Internal Evaluation:

The individual directors are assessed on the following six aspects:

- Understanding of the Company's goals and mission
- Awareness of director's duties
- Involvement in the Company's operations
- Internal relationship and communication
- Expertise and continuing education
- Internal controls

The weighted average score for the 2024 overall performance of the directors was 4.90 out of 5 and is expected to report the result to the Board at its first quarter meeting in 2025.

The Board of Directors are assessed on the following five aspects:

- Involvement in the Company's operations
- Enhancement of the quality of the Board's decision-making
- Makeup and structure of the Board
- Election of directors and continuing knowledge development
- Internal controls

The weighted average score for the 2024 overall performance of the Board of Directors was 5 out of 5 and is expected to report the result to the Board at its first quarter meeting in 2025.

(b) External Expert Evaluation:

According to procedures for Board self-assessment or peer evaluation, external expert evaluation shall be performed at least once every three years. The Company engaged Chainye Management Consulting Co. to conduct an external evaluation of the overall performance of Board, directors and functional committees for the year 2023. The evaluation was performed through a combination of data analysis (including self-assessment questionnaires and public information) and actual participation in the

Company' s Board and functional committee meetings.

Evaluation scope was as follow.

Board of Directors	Individual Director	Functional Committee
<ul style="list-style-type: none"> ● Involvement in the Company' s operations ● Enhancement of the quality of the Board' s decision-making ● Makeup and structure of the Board ● Election of directors and continuing knowledge development ● Internal controls 	<ul style="list-style-type: none"> ● Understanding of the Company' s goals and mission ● Awareness of director' s duties ● Involvement in the Company' s operations ● Internal relationship and communication ● Expertise and continuing education ● Internal controls 	<ul style="list-style-type: none"> ● Involvement in the Company' s operations ● Awareness of the functional committee' s duties ● Enhancement of the quality of the functional committee' s decision-making ● Makeup of the functional committee and election of members ● Internal controls

Evaluation Result:

- a. Chainye Management Consulting Co. on Jan 2, 2024 issued an assessment, stating that the Board of the Company has established policies and processes relating to the operation of the Board in compliance with relevant laws and domestic corporate governance standards in all aspects, that the Board is composed of directors with professional competence and continuing education, that the functions of the Board members and functional committees are operating effectively, and that they are assigned work based on different professions and experience, and have a timely understanding of the Company' s operations and risks, and have a high level of participation in the Company' s operations, with the overall assessment result being excellent.
- b. The result of the above assessment was reported to the Board at its first quarter meeting in 2024.
- c. The suggestions from Chainye Management Consulting Co. are as follows:

Suggestions / Improvements	Measures to be adopted
<ul style="list-style-type: none"> ● The Company currently has more than half of its board seats occupied by independent directors. However, among the four independent directors, one independent director has served more than three terms, and one independent director is serving the third term as an independent director of the Company in this session. According to the provisions of the Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, as of the year 2027, the consecutive tenure of all independent directors shall not exceed three terms. It is suggested that in the next election, the Company can nominate appropriate new candidates for independent directors through the Nominating Committee, in order to professionalize and ensure the independence of the operations of the Board of Directors and functional committees. ● It is recommended that the conveners of each functional committee in the future establish the terms of office for each term and set forth the annual work plans and objectives for each year within the term. These plans and objectives should be agreed upon by the members of each functional committee, enhancing the supervisory and managerial functions of the functional committees within the Company. 	<ul style="list-style-type: none"> ● The nomination review for the election of the thirteenth Board of Directors will be conducted in accordance with legal regulations. ● Since the fiscal year 2025, it has been proposed to submit annual work plans for each functional committee.

2.3.2 The operations of the Audit Committee and its participation in Board meetings

1. Committee member term: The 2nd term from May 28, 2020 to May 27, 2023. The 3rd term from May 26, 2023 to May 25, 2026.
2. The purpose of the Audit Committee is to assist the Board in fulfilling its role of overseeing the quality and integrity of the Company's performance in relation to accounting, auditing, financial reporting processes and financial controls.
3. Audit Committee' s annual work plan for 2024 is as follows.
 - (1) Financial statements.
 - (2) The policies and procedures for auditing and accounting.
 - (3) The policies and procedures for internal controls.
 - (4) The material asset or derivatives transactions.
 - (5) The material loaning of funds and endorsements/guarantees.
 - (6) The offering, issuance, or private placement of equity-type securities.
 - (7) The status of derivatives transactions and investments.
 - (8) Regulation compliance.
 - (9) Risk management.
 - (10) The evaluation of the independence and suitability of its CPA.
 - (11) The hiring or dismissal of an attesting CPA, or the compensation given thereto.
 - (12) Regular communications between the Chief Internal Auditor and the CPA.
 - (13) The performance assessment of the Audit Committee.
 - (14) Appointment and Dismissal of Financial, Accounting, or Internal Audit Officers.
4. Audit Committee' s highlight of 2024:
 - (1) Review financial statements: The Board of Directors prepared the annual business report, the financial statements, and the earnings distribution proposal for the year 2023. The financial statements were audited and the audit report was issued by Deloitte. The above-mentioned business report, financial statements and earnings distribution proposal were forwarded to the Audit Committee for auditing, and the Audit Committee found that the same were prepared in accordance with the rules.
 - (2) The hiring of the CPA: The Audit Committee prepared CPA independence evaluation form with reference to Certified Public Accountant Act §47 and the Code of Professional Ethics Statement No. 10 on Integrity, Impartiality, Objectivity and Independence. The form evaluated the independence, competence and suitability of the CPA from the aspects of being a related party, having a business relationship, or having a financial interest with the Company. The 9th meeting of the 3rd Audit Committee on December 30, 2024, and the 9th meeting of the 12th Board on December 30, 2024 approved that CPA Chen, Chung-Che and CPA Tsou, Yi-Yun with KPNG met the criteria for independence evaluation and were qualified to act as the Company's certified public accountants.
5. Six Audit Committee meetings were convened in 2024 (A). The members' qualification and attendance status are as follows :

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) 【 B/A 】	Note
Independent Director	Wang, Kai-Li	6	-	100%	Appointed on May 26, 2023
Independent Director	Wang, Chih-Cheng	6	-	100%	Appointed on May 26, 2023
Independent Director	Wu, Jiin-Po	6	-	100%	Appointed on May 26, 2023
Independent Director	Tu, Chi-Yao	6	-	100%	Appointed on May 26, 2023

6. Other required notes for the meetings:

In the event of either of the following situations, dates, sessions, motions, resolutions of the meetings, and the Company' s responses to the Audit Committee' s opinions should be noted:

(1) Matters listed in the Securities and Exchange Act §14-5.

Board Meeting Dates	Resolution	Any Independent Director Had a Dissenting Opinion or Qualified Opinion	
1. The 4th meeting of the 12th Board on March 12, 2024	(1). Loaning of funds for the subsidiaries of the Company.	None	
	(2). Determining whether there were loaning funds to unrelated parties in this quarter.	None	
	(3). Approval of 2023 annual financial statements and business report.	None	
	(4). Approval of 2023 statement of internal control system.	None	
	(5). Review to new shares through capitalization of capital surplus.	None	
	(6). Amendment to the "Articles of Incorporation" .	None	
	Independent directors' opinions: None.		
	The Company' s responses to independent directors' opinions: None.		
Resolution: All directors present at the meeting approved.			
2. The 5th meeting of the 12th Board on May 13, 2024	(1). Loaning of funds for the subsidiaries of the Company.	None	
	(2). Approval of 2024 the first quarter consolidated financial statements.	None	
	(3). Apply for bank loans.	None	
	(4). Fuel Spirit made loans to parent company.	None	
	Independent directors' opinions: None.		
	The Company' s responses to independent directors' opinions: None.		
	Resolution: All directors present at the meeting approved.		
3. The 6th meeting of the 12th Board on Jun 4, 2024	(1). Switch to a new CPA from 2024.	None	
	(2). Board of Directors Resolution to Acquire Real Property from the subsidiary Iuvo.	None	
	(3). Capital reduction in cash on behalf of subsidiary.	None	
	(4). The Company made loans to sub-subsidiary IUVO.	None	
	(5). The Company made loans to sub-subsidiary Winglong.	None	
	Independent directors' opinions: None.		

Board Meeting Dates	Resolution	Any Independent Director Had a Dissenting Opinion or Qualified Opinion
	The Company' s responses to independent directors' opinions: None.	
	Resolution: All directors present at the meeting approved.	
4. The 7st meeting of the 12th Board on August 13, 2024	(1). Loaning of funds for the subsidiaries of the Company.	None
	(2). Approval of 2024 the second quarter consolidated financial statements.	None
	(3). Apply for bank loans.	None
	(4). Resolved to recognize financial asset impairment in accordance with IFRS 9	None
	Independent directors' opinions: None.	
	The Company' s responses to independent directors' opinions: None.	
	Resolution: All directors present at the meeting approved.	
5. The 8 nd meeting of the 12 th Board on November 12, 2024	(1). Loaning of funds for the subsidiaries of the Company.	None
	(2). Resolution to establish a subsidiary in Thailand	None
	(3). Approval of 2024 the third quarter consolidated financial statements.	None
	(4). Apply for bank loans.	None
	(5). Approval of the capital increase through the issuance of common shares.	None
	(6). Approval of the issuance of the fourth domestic unsecured corporate bond.	None
	Independent directors' opinions: None.	
	The Company' s responses to independent directors' opinions: None.	
	Resolution: All directors present at the meeting approved.	
6. The 9rd meeting of the 12th Board on December 30, 2024	(1). President Plastic Products MFG. Co., Ltd. made endorsements/guarantees for the Company.	None
	(2). The Company made endorsements/guarantees for IUVO.	None
	(3). Apply for bank loans.	None
	(4). 2024 Assessment of independence of CPAs.	None
	(5). Resolution on the Investment Plan to Establish a Factory in Thailand.	None
	Independent directors' opinions: None.	
	The Company' s responses to independent directors' opinions: None.	
	Resolution: All directors present at the meeting approved.	

(2) Besides the above-mentioned matters, any matter that was not passed by the Audit Committee but was adopted with the approval of two-thirds or more of all Board directors: None.

7. In the event of recusals of independent directors due to conflicts of interests, the name of the independent directors, the motion, the grounds for recusal and the participation in voting should be noted: None.

8. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of financial position or operations, etc.)

A. Communications between the independent directors and the CPA

Date	Attendee	Summary
May 30, 2024	<u>Independent Director</u> Hsieh, Chang-Hung Wang, Kai-Li Wang, Chih-Cheng <u>Deloitte & Touche CPA</u> Hsieh, Chien-Hsin Liao, Wan- I	<u>Communications between the Independent Directors and the CPA</u> 1. Discuss whether there are any indications of impairment in the investments under the group. 2. Discuss improvements in the timeliness of financial statement preparation and the quality of accounting records. <u>Independent Directors' Response</u> 1. If the CPA has any difficulties or significant communication issues during the audit, the finance department should do its best to assist. 2. There are many subsidiaries in the Dyaco International Group, and the parent company should fulfill the responsibility of supervising them. <u>The Company Follow-up</u> 1. Full cooperation with CPA in the audit 2. The Company assigned additional manpower to carry out the responsibility of supervising the subsidiaries..
August 13, 2024	<u>Independent Director</u> Wang, Kai-Li Wang, Chih-Cheng Wu, Jiin-Po Tu, Chi-Yao <u>KPMG CPA</u> Chen, Chung-Che Tsou, Yi-Yun	<u>Communications between the Independent Directors and the CPA</u> Discuss the key items and specific risks in the group's financial statements <u>Independent Directors' Response</u> If the CPA has any difficulties or significant communication issues during the audit, the finance department should do its best to assist. <u>The Company Follow-up</u> Full cooperation with CPA in the audit.

B. Communications between the independent directors and the chief internal auditor

a. Independent Directors' Meetings with the Internal Audit

Date	Attendee	Summary
December 30, 2024	<u>Independent Director</u> Wang, Kai-Li Wang, Chih-Cheng Wu, Jiin-Po Tu, Chi-Yao <u>Chief Internal Auditor</u> Yang, Ai-Chi	<u>Communications between the Independent Directors and the CIA</u> 1. 2024 audit matters. 2. Discuss the key issues of the 2025 audit. 3. Explain the 2025 audit plan and project arrangement. <u>Independent Directors' Response</u> Enhance the audit project's review items to ensure effectiveness and comprehensiveness in execution. <u>The Company Follow-up</u> Continual tracking of execution.

b. Audit Committee

The chief internal auditor submits the audit report to independent directors on a monthly basis, and reports to the Audit Committee and the Board of Directors on major findings of the

internal control system. The chief internal auditor communicates with the Audit Committee the audit on a regular basis and responds to the Audit Committee members' questions after the release of monthly audit report. Relevant supervisors are invited to attend the meetings if necessary, and the chief internal auditor summarizes conclusions as well as suggestions and reports to the Audit Committee and the Board of Directors. The instructions of the Audit Committee and the Board of Directors are the guideline for implementation.

Audit Committee Meeting Date	Summary	Resolution
March 12, 2024	Reported the audit report of December 2023, January 2024 and February 2024 Approved 2023 internal control statement.	Reported to the Board of Directors after the Audit Committee' s approval.
May 13, 2024	Reported the audit report of March 2024 and April 2024.	Reported to the Board of Directors after the Audit Committee' s approval.
August 13, 2024	Reported the audit report of May , June and July 2024.	Reported to the Board of Directors after the Audit Committee' s approval.
November 12, 2024	Reported the audit report of August and September 2024.	Reported to the Board of Directors after the Audit Committee' s approval.
December 30, 2024	Reported the audit report of October and November 2024. Approved 2025 annual audit plan.	Reported to the Board of Directors after the Audit Committee' s approval.

9. Evaluation of the Audit Committee

The Company conducted an evaluation of the Company's functional committee at the end of the year and the Audit Committee members were assessed on the following five aspects:

- (1) Involvement in the Company' s operations
- (2) Awareness of the Audit Committee' s duties
- (3) Enhancement of the quality of the Audit Committee' s decision-making
- (4) Makeup of the Audit Committee and election of members
- (5) Internal controls

The weighted average score for the 2024 overall performance of the Board of Directors was 4.94 out of 5 and is expected to report the result to the Board at its first quarter meeting in 2025.

2.3.3 Corporate Governance Status and Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” :

Assessment Item	Implementation Status			Discrepancy with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary	
1. Whether the Company has formulated and disclosed “Corporate Governance Best Practice Principles,” according to “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” ?	V		The Company’s Board of Directors has approved the Corporate Governance Best Practice Principles, which were established with reference to the “Corporate Governance Practice Guidelines for Listed Companies” formulated by the Taiwan Stock Exchange Corporation and the GreTai Securities Market. These guidelines have been made available on the Company’s website under the “Corporate Governance” section for shareholder inquiries.	Compliance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”
2. The Company’s shareholding structure and shareholders’ interest (1). Whether the Company has formulated and implemented internal procedures for handling suggestions, questions, disputes, and litigation of shareholders.	V		Besides through the stock transfer agency, the Company has internal material information handling and insider trading prevention management procedures in place, and has a spokesperson, acting spokesperson and investment relations department to properly address shareholder and investor suggestions, queries, and disputes in order to ensure shareholders’ interests.	Compliance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”
(2). Whether the Company has got hold of the list of major shareholders and their ultimate controllers.	V		The Company keeps track of the shareholdings of directors, managers and substantial shareholders holding more than 10% of the shares, and keeps up with the list of substantial shareholders and their ultimate controllers as far as possible through successive shareholder registers, reports changes in their shareholdings on a monthly basis, and discloses the list of the top 10 shareholders in the annual report and on the Company’s website at www.dyaco.com .	Compliance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”
(3). Whether the Company has established and implemented risk management and firewall mechanism pertaining to affiliates.	V		Regarding supervision of its affiliated companies, the Company has, pursuant to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” “Regulations Governing Establishment of Internal Control Systems by Public Companies,” “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,” and “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” drawn up the “Corporate Governance Best Practice Principles,” “Internal Control System,” “Operational Procedures for Loaning of Funds and Making of Endorsements/Guarantees,” “Procedures for the Acquisition or Disposal of Assets,” “Regulations Governing the Supervision and Management of Subsidiaries,” and “Regulations Governing the Management of Transactions with Related Parties, Specific Companies and Group Companies,” clearly delineating the duties and responsibilities among the Company and its affiliates and building appropriate firewalls based on risk assessment to eliminate unconventional transactions and strictly prohibit conveyance of unjust interests.	Compliance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”
(4). Whether the Company has formulated internal norms forbidding the Company’s insiders to take advantage of unpublicized information in trading in securities.	V		The Company has the “Code of Ethical Conduct,” “Operating Procedures and Conduct Guidelines for Ethical Corporate Management,” and “Internal Material Information Handling and Insider Trading Prevention Management Procedures,” under which insiders are not allowed to engage in insider trading with unpublished information of which they are aware, nor are they allowed to leak undisclosed information to others.	Compliance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”
3. Composition and duties of the Board of Directors (1). Whether the Board of Directors has formulated and achieved diversification for the composition of its membership.	V		<ol style="list-style-type: none"> To implement the diversity of the Board of Directors, the core competencies that the directors shall have are set out in the “Director Election Regulations,” with the diversity policy disclosed on the Market Observation Post System and the Company’s website at www.dyaco.com. The Company has drawn up a policy on diversity in the composition of the Board of Directors in the “Director Election Regulations.” The Company selects directors with the necessary knowledge, skills and qualities to perform their duties based on their professional backgrounds and work areas. In order to achieve the desired objectives of corporate governance, the Board of Directors as a whole shall have the following capabilities: <ol style="list-style-type: none"> Operational judgement. Accounting and financial analysis skills. Operational management capacity. Crisis management capacity. Industrial knowledge. Global market insights. Leadership. Decision-making capacity. The diversity of backgrounds of individual directors of the 12th Board is as follows: 	Compliance with “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”

Assessment Item	Implementation Status			Discrepancy with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons																																																																																																									
	Yes	No	Summary																																																																																																										
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(2). Whether the Company has established its own various functional committees other than the Remuneration Committee and the Audit Committee.	V		<p>1. To implement the promotion of corporate social responsibility and sustainable management, the Board of Directors established the Corporate Sustainability Committee on August 11, 2021 and merged the CSR Committee into it. The composition, responsibilities and operations of the Corporate Sustainability Committee are described in Section 3.4.</p> <p>2. To enhance corporate governance and improve the efficiency of the Board of Directors, the Company established a Nominating Committee on August 12, 2022. For details regarding the composition, responsibilities, and operations of the Nominating Committee, please refer to Section 3 (5).</p>	Compliance with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"																											
(3). Whether the Company has formulated measures and methods for the evaluation of the performance of the Board of Directors, conducts performance evaluation annually and submits the results of the performance evaluation to the Board of Directors for the reference of individual director's compensation and nomination for reappointment?	V		<p>1. The Company issues a performance self-assessment questionnaire to all Board members in December of each year and performs the current year's performance evaluation at the end of the year.</p> <p>2. For the 2024 Board of Directors' evaluation, please refer to Section 3.1.2.</p> <p>3. Pursuant to Article 24 of the Company's Articles of Incorporation, the remuneration of the Company's directors shall be distributed at a rate not exceeding 5% of the profitability of the current year. The procedures for determining remuneration shall be subject to the regulations on the Company's Board of Directors' self-evaluation or peer review. Article 21 of the Company's Articles of Incorporation states that the compensation of directors shall be determined by the Remuneration Committee regarding the extent of their participation in and contribution to the operations, with the reasonable fairness of performance risks linked to the compensation received, and the Board of Directors authorized to make payments in accordance with the Remuneration Committee's assessment and the usual standards of the industry.</p>	Compliance with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"																											
(4). Whether the Company has regularly evaluated the independence of certified public accountants.	V		The Company evaluates the independence and suitability of its certified public accountants (CPA) once a year, with the results of the most recent two annual evaluations submitted on December 27, 2023 and December 30, 2024 to the Board of Directors for approval after deliberations by the Audit Committee; please refer to below for details of the 2024 evaluation.	Compliance with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"																											
(5). Does the company have a succession plan for key management personnel?	V		The Company has established a comprehensive and forward-looking succession planning policy. Successor candidates must possess extensive experience in the sports equipment industry, along with outstanding operational management skills, professional expertise, and excellent work performance.	Compliance with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"																											
4. Whether the listed company has a suitable and appropriate number of corporate governance personnel and has designated a corporate governance officer to be responsible for corporate governance-related matters (This includes, but is not limited to, providing information necessary for directors and supervisors to carry out their business, assisting directors and supervisors in complying with laws and regulations, holding board meetings and shareholders' meetings in accordance with the law, preparing minutes of board meetings and shareholders' meetings, etc.).	V		<p>1. On March 8, 2019, the Board of Directors of the Company appointed Vice President of Finance Chiu, Yuan-Sheng as the head of corporate governance, who had more than three years of experience in the position of finance director in a public company, the main duties of which are to provide the directors with the information necessary for the execution of business, the latest regulations related to the operation of the Company to assist the directors and the Company to comply with the laws and regulations, and report to the Board of Directors at the end of each year to review the effectiveness of operations.</p> <p>2. See Section 3.9.2 for the corporate governance director's duties, business execution highlights and continuing education for 2024.</p>	Compliance with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"																											
5. Whether the Company has established communications channel for stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and	V		1. The Company attaches importance to the balance of rights and obligations among its stakeholders, including authorities, employees, shareholders and investors, customers, suppliers, social groups and community residents, etc. While maintaining good communication with stakeholders, the Company has a section for stakeholders on its website.	Compliance with "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"																											

Assessment Item	Implementation Status			Discrepancy with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Summary	
dedicated sector for stakeholders in its website, in addition to responding properly to key issues in corporate social responsibility concerned by stakeholders.			2.Communication between various types of stakeholders in 2024 was reported by the head of corporate governance to a board meeting on December 30, 2024 and disclosed on the Company's website.	
6.Whether the Company appoints a professional stock agent to conduct the affairs of the shareholders' meeting.	V		The Company's stock agency to be represented by Fubon Securities Transfer Agency Department, which was approved for the record by a letter dated March 22, 2022 from Taiwan Depository & Clearing Corporation.	Compliance with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"
7.Information publication (1). Whether the Company has installed website for publication of information on finance, business and corporate governance.	V		Information about the Company's financial operations is available for reference by shareholders and the general public on the Market Observation Post System and the Company's website at www.dyaco.com.	Compliance with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"
(2). Whether the Company adopts other means of information disclosure (such as setting up an English website, designating a person responsible for the collection and disclosure of company information, implementing a spokesperson system, and posting of the process of investors' conference on the Company website, etc.)	V		1.Information about the Company's financial operations is available for reference by shareholders and the general public on the Market Observation Post System and the Company's website at www.dyaco.com. 2.The Company' s English website is maintained by dedicated staff, and the Company has also established a spokesperson system and an Investor Relations Department to serve shareholders and investors. 3.Information relating to shareholders' meetings or investors' conference is available on the Company's website.	Compliance with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"
(3). Whether the Company discloses and reports the annual financial reports within two months after the end of the fiscal year, and declares the first, second, and third quarter financial reports and the monthly operations within the prescribed time limit.	V		The Company shall, within a time limit prescribed in Article 36 of the Securities and Exchange Act, announce and report its annual financial reports, first, second and third quarter financial reports, with its operations for each month published as scheduled.	Compliance with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"
8.Whether the Company has any other important information that would be useful in understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of interested parties, director and supervisor training, implementation of risk management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for directors and supervisors).	V		1. Employee rights and employee care: Please refer to Section on labour relations. 2. Investor relations: The Company has spokespersons, acting spokespersons and investor relations division whose contact information are publicly available, so that investors can reflect their opinions at any time, with the financial and corporate governance content updated on the Market Observation Post System and the Company's website in real time, which helps to enhance information transparency. 3. Supplier relations: The Company has smooth communication channels and good interaction with its suppliers. 4. Rights of interested parties: Stakeholders may communicate with the Company and make suggestions to protect their legal rights and interests. 5. Director training: The Company' s directors have participated in continuing education on corporate governance in accordance with the regulations. Please refer to Section 3.1.1. for further details. 6. Implementation of risk management policies and risk measurement standards: (1) Risk management policies: A. Market risk management: Avoid excessive concentration of customers and product lines. B. Credit risk management: Periodically review the creditworthiness of customers, manage accounts receivable, and monitor cash flows and use of funds. C. Operational risk management: Establish, amend and promote various standard operating procedures. D. Enterprise scale risk management: Implement performance management and profit center system and regularly review the economic scale of each product line and subsidiary.	Compliance with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"

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			<p>(2) Risk management framework: The management of the Company's operational risks is assigned to the relevant units according to the nature of their business, and is monitored by the Audit Department for the existing or potential risks of each operation.</p> <p>A. Financial: Conduct financial dispatching, use funds and establish hedging mechanisms to reduce financial risk; and plan and develop short, medium and long-term financial and investment strategies.</p> <p>B. Business: Conduct product marketing and keep abreast of market trends to abate operational risks.</p> <p>C. Information: Perform network planning, construction, operation and maintenance, continuously monitor network quality, assess information risks and take appropriate response measures to reduce operational risks.</p> <p>D. Legal: In addition to reviewing the legality of contractual documents, assisting in controlling legal risks, complying with the laws and handling contractual and litigation disputes to mitigate legal risks.</p> <p>E. Audit: Promote the internal control system, conduct audit planning, and perform auditing to ensure its continued effectiveness in order to achieve the effectiveness and efficiency of the Group's operations, the reliability and timeliness of reporting and compliance with relevant laws and regulations.</p> <p>F. Board of Directors: The Board is the highest decision-making unit for risk management of the Company and approves risk management policies to ensure effective control of operational risks by taking into account the overall operational risks and business environment.</p> <p>(3) Analysis and assessment of risk issues: Please refer to Section on risk issues.</p> <p>7. Implementation of customer policy: The Company has set up a customer service department to handle customer complaints and properly identify the problems and responsibilities to ensure the quality of service to customers.</p> <p>8. The liability insurance for directors and supervisors is as follows:</p> <table border="1"> <thead> <tr> <th>Date of Most Recent Board Meeting</th> <th>Insurance Period</th> <th>Insured Amount</th> </tr> </thead> <tbody> <tr> <td>November 10, 2023</td> <td>September 15, 2023 – September 15, 2024</td> <td>USD 5,000,000</td> </tr> <tr> <td>November 10, 2024</td> <td>September 15, 2024– September 15, 2025</td> <td>USD 5,000,000</td> </tr> </tbody> </table> <p>9. The aforementioned communication with stakeholders and priority concerns shall be reported to the Board of Directors at least once a year and disclosed on the Company's website at www.dyaco.com; the communication with stakeholders in 2023 was reported to the Board of Directors on December 30, 2024.</p>	Date of Most Recent Board Meeting	Insurance Period	Insured Amount	November 10, 2023	September 15, 2023 – September 15, 2024	USD 5,000,000	November 10, 2024	September 15, 2024– September 15, 2025	USD 5,000,000	
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November 10, 2023	September 15, 2023 – September 15, 2024	USD 5,000,000											
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<p>9. Please illustrate the improvement based upon Corporate Governance Evaluation Result released by Taiwan Stock Exchange and propose priority enhancements and measures for those that have not yet been improved.</p> <p>1. In the 11th Corporate Governance Review, the Company was ranked at 6% to 20%.</p> <p>2. Improvements made</p> <p>(1). The number of independent director seats exceeds half of the total board membership.</p> <p>(2). The entire proceedings of the shareholders' meeting are recorded and placed on the Company's website.</p> <p>3. Priorities to be reinforced in the future: The annual financial report audited by the certified public accountant will be published within two months after the end of the fiscal year.</p>													

Note 1: Independence evaluation of its certified public accountants (CPA)

Independence evaluation of its certified public accountants (CPA)

1. Assessment committee: Audit committee
2. Approval unit: BOD
3. Assessment and approval date: 2024.12.30
4. Evaluation and appointment of accounting firm and accountants: KPMG Taiwan, Chen, Chung-Che, CPA, and Tsou, Yi-Yun, CPA.
5. Evaluation content: Stipulated in accordance with Article 47 of the Accountant Act and The 10th Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China, "Integrity, Objectivity, and Independence":

Factors	Items	Yes / No
Conflict of Interest	1. Do you have any direct or significant indirect financial interests with the Company and its related parties?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
	2. Have you engaged in any financing or guarantee activities with the Company, its related parties, or its directors?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
	3. Have you considered the possibility of losing customers?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
	4. Do you have any close business relationships with the Company or its related parties?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
	5. Is there a potential employment relationship between you and the Company or its related parties?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
	6. Are there any audit-related or public-expense matters involved?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
Self-evaluation	1. Has any member of the audit service team served as a Director, executive, or any position that has significant influence over audit cases for the Company or related parties in the current or past two years?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
	2. Regarding non-audit services provided to the Company or its related parties, are there any important items that would directly affect the audit cases?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
Defense	1. Have you promoted or acted as an intermediary for the stocks or other securities the Company or its related parties issued?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
	2. Have you acted as a defense attorney for the Company or related parties, or represented the Company or its related parties in coordinating conflicts with third parties?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
Familiarity	1. Are you related to a Director, executive, or other personnel with significant influence over audit cases for the Company or its related parties?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
	2. Has any of the joint external auditors who resigned within the past year served as a Director, executive, or other personnel with significant influence over audit cases for the Company or its related parties?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
	3. Have you received any significant gifts from the Company, its related parties, or their Directors or executives?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
Coercion	1. Has the Company or its related parties requested the auditor to accept improper choices of accounting policies or improper disclosures in the financial statements?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
	2. Have the Company or its related parties pressured the auditor to improperly reduce the scope of audit work to reduce audit fees?	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>
Accountant's statement	Has the signing auditor complied with the regulations regarding independence set out in The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 and obtained the independence statement issued by the signing auditor?	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>

6. Conclusion

The Company appointed Chen, Chung-Che, Tsou, Yi-Yun, CPA from KPMG Taiwan, to sign the audit report. Obtain the Audit Quality Indicators (AQIs) of the firm. The auditor's independence and suitability assessment has been conducted and found to be in compliance, with no concerns raised.

2.3.4 The composition, duties, and operations of the Remuneration Committee

1. Information of Remuneration Committee members

March 31, 2025

Title	Qualification Name	Professional qualifications and experience	Independence (Note 3)	Number of other public companies in which the member also serves as a member of their Remuneration Committee
Independent Director	Wang, Kai-Li	Served in Professor, Department of Financial, Tunghai University, Chairman of Taiwan Financial Development Association, Independent Director of Shen Kai Precision Co., Ltd. Independent Director of AKER Co., Ltd, has come with excellent financial and corporate governance experiences.	(1) 、(2) 、(3) 、(4) 、(5) 、(6) 、(7) 、(8) 、(9) 、(10) 、(11) 、(12)	3
Independent Director	Wang, Chih-Cheng	Served in director of The Securities and Futures Investors Protection Center, director of The Financial Ombudsman Institution, Arbitrator of Chinese Arbitration Association, Department head, Department of law, Chinese Culture university and independent directors of many listed companies, has come with excellent legal and corporate governance experiences.	(1) 、(2) 、(3) 、(4) 、(5) 、(6) 、(7) 、(8) 、(9) 、(10) 、(11) 、(12)	3
Independent Director	Wu, Jin-Po	Former Associate Professor at Tamkang University's Department of Information Management, possessing practical expertise in information and corporate governance.	(1) 、(2) 、(3) 、(4) 、(5) 、(6) 、(7) 、(8) 、(9) 、(10) 、(11) 、(12)	-
Independent Director	Tu, Chi-Yao	Served in partnership of Deloitte & Touche a financial legal adviser of Taiwanese companies of the Straits Exchange Foundation, and is currently an independent director of KY-Yaming Town and an independent director of TECO, with practical expertise in accounting, taxation and corporate governance.	(1) 、(2) 、(3) 、(4) 、(5) 、(6) 、(7) 、(8) 、(9) 、(10) 、(11) 、(12)	3

Note 1 : Independence of the Remuneration Committee members in the two years before appointment and during their term. Those who comply will be disclosed above.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Directors and supervisors who are not part of the Company or its affiliated companies (except if the Company and its parent company, subsidiary, or subsidiary of the same parent company are independent directors set up in accordance with this law or local laws and regulations).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, -68- minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not a manager in (1) or not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of personnel in (2) and (3).
- (5) Not directors, supervisors or legal shareholders who directly hold more than 5% of the total issued shares of the Company, in the top five for shareholdings, or appointed a representative as a director or supervisor of the Company in accordance with Paragraph 1 or 2, Article 27 of the Company Act (except for those who concurrently serve as independent directors established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with this law or local laws and regulations).
- (6) Not a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company (but concurrent independent directors of the Company or its parent company, subsidiary or subsidiary of the same parent company as established by this law or local laws and regulations are not limited by this).
- (7) Directors, supervisors or employees of other companies or institutions that are not the same person or spouse as the chairman, president or equivalent positions

of the Company (but concurrent independent directors of the Company or its parent company, subsidiary or subsidiary of the same parent company as established by this law or local laws and regulations are not limited by this).

- (8) Not directors, supervisors, managers, or shareholders holding more than 5% of shares of a specific company or organization that is in financial or business dealings with the Company (but if a specific company or organization holds more than 20% but less than 50% of the Company's total issued shares, and the concurrent independent directors of the Company or its parent company, subsidiary or subsidiary of the same parent company as established by this law or local laws and regulations are not limited by this).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or president of a sole proprietorship, partnership, company, or institution that, provides auditing and commercial, legal, financial, accounting services or consultation that does not exceed NT\$500,000 in remuneration over the last two years to the Company or to any affiliate of the Company, or a spouse thereof. However, this does not apply to members of the Remuneration Committee, Public Acquisition Review Committee, or Mergers and Acquisitions Special Committee who perform their duties in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers and Acquisitions Act.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company;
- (11) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.
- (12) Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the R.O.C

2. Compensation Committee Operation

- (1) The Committee is currently comprised of 4 members.
- (2) Committee Member Term: The 2nd Term from May 28, 2020 to May 27, 2023. The 3rd Term from May 26, 2023 to May 25, 2026.
- (3) The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion.
 - A. Establishing and periodically reviewing the performance assessment standards, and the policies, systems, standards, and structure for the compensation of the directors and managerial officers.
 - B. Periodically assessing and setting the types and amounts of the compensation of the directors and managerial officers.
- (4) Two Remuneration Committee meetings were convened in 2024 (A). The members' qualification and attendance status are as follows.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) 【 B / A 】	Note
Chair	Wang, Kai-Li	2	-	100%	Re-appointed on May 26, 2023
Member	Tu, Chi-Yao	2	-	100%	Appointed on May 26, 2023
Member	Wang, Chih-Cheng	2	-	100%	Re-appointed on May 26, 2023
Member	Wu, Jiin-Po	2	-	100%	Appointed on May 26, 2023

- (5) Other required notes for the meetings:

In the event of either of the following situations, dates, sessions, motions, resolutions of the meetings, and the Company' s responses to the Remuneration Committee' s opinions should be noted:

Remuneration Committee Meeting Date	Resolution
The 2th meeting of the 5th Remuneration Committee on November 12, 2023	Review the proposed salary and compensation items to be implemented by the company in 2024, along with the ESG performance-linked executive reward mechanism plan.
	Resolution of the Remuneration Committee: All Corporate remuneration committee members present at the meeting approved.
	The Company' s responses to the Remuneration Committee' s opinions: The Company

Remuneration Committee Meeting Date	Resolution
	implemented in accordance with the resolution.
The 1st meeting of the 5th Remuneration Committee on December 30, 2024	(1). Approval of directors' and managers' compensation.
	(2). Approval of 2024 distribution of managers' annual bonus.
	(3). Approval of 2023 distribution of managers' annual bonus.
	Resolution of the Remuneration Committee: Except members recused themselves from the discussion and voting, the chair put the motion before all members present at the meeting and none voiced an objection.
	The Company' s responses to the Remuneration Committee' s opinions: Except directors recused themselves from the discussion and voting, other directors present at the meeting approved based on the resolution of the Remuneration Committee.

(6) If the Board of Directors refuses to adopt or modifies a recommendation by the Remuneration Committee, Board meeting dates, sessions, motions, resolutions of the meetings, and the Company' s responses to the Remuneration Committee' s opinions shall be noted (If the compensation approved by the Board of Directors is better than that suggested by the Remuneration Committee, the differences and reasons shall be stated): None.

(7) If, with respect to any resolution of the Remuneration Committee, any member had a dissenting opinion or qualified opinion which was documented or issued through written statements, Remuneration Committee meeting dates, sessions, motions, all members' opinions and the handling thereof shall be noted: None.

(8) Evaluation of the Remuneration Committee

The Company conducted an evaluation of the Company's functional committee at the end of the year and the Remuneration Committee members were assessed on the following four aspects:

- Involvement in the Company' s operations.
- Awareness of the Remuneration Committee' s duties.
- Enhancement of the quality of the Remuneration Committee' s decision-making.
- Makeup of the Remuneration Committee and election of members.

The weighted average score for the 2024 overall performance of the Board of Directors was 4.88 out of 5 and was reported to the Board at March 12, 2025.

(9) Other required notes for the meetings: None.

2.3.5 Nominating Committee Operation

1.The Nominating Committee of three independent directors with the chairman of the Board as the chairman of the Committee.

2.The duties of the Nominating Committee

- (1) Develop diverse and independent criteria that include professional knowledge, skills, experience, and gender for Board members and senior executives. Use these criteria to identify, assess, and nominate candidates for Director and senior executive positions.

- (2) Construct and develop the organizational structure of the Board of Directors and its committees, conduct performance evaluations of the Board of Directors, its committees, individual Directors, and senior executives, and assess the independence of Independent Directors.
- (3) Establish and periodically review training plans for Directors and succession plans for Directors and senior executives.
- (4) Develop corporate governance practices and guidelines for the Company.

3.The Nominating Committee status

- (1) Four members.
- (2) Committee Member Term: The 1ST term from August 12 , 2022 to May 27, 2023. The 2nd term from May 26, 2023 to May 25, 2026.
- (3) Two Nominating Committee meeting was convened in 2024 (A). The members’ qualifications, specialty and attendance status are as follows:

Title	Name	Specialty	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) 【 B/A 】	Note
Chairman	Chuan-Feng Investment Corporation Representative: Lin, Yu-Yin	Corporate Governance	1	-	100%-	Replacement on November 10, 2023
Member	Wang, Kai-Li	Corporate Governance Finance	1	-	100%	Appointed on May 26, 2023.
Member	Wang, Chih-Cheng	Corporate Governance Legal	1	-	100%-	Appointed on May 26, 2023.
Member	Tu, Chi-Yao	Corporate Governance Accounting	1	-	100%	Appointed on May 26, 2023.

4. In the event of either of the following situations, dates, sessions, motions, resolutions of the meetings, and the Company’ s responses to the Nominating Committee’ s opinions should be noted:

Nominating Committee Meeting Date	Resolution
The 2st meeting of the 2nd Nominating Committee on December 30, 2024	Formulated the Company's Code of Practice on Corporate Governance..
	Resolution of the Nominating Committee: All Corporate Nominating Committee members present at the meeting approved.
	The Company’ s responses to the Nominating Committee’ s opinions: The Company implemented in accordance with the resolution.

5. The Company conducted an evaluation of the Company's functional committee at the end of the year and the Nominating Committee members were assessed on the following four aspects:

- (1) Involvement in the Company’ s operations.
- (2) Awareness of the Nominating Committee’ s duties.
- (3) Enhancement of the quality of the Nominating Committee’ s decision-making.
- (4) Makeup of the Nominating Committee and election of members.

6. The weighted average score for the 2024 overall performance of the members was 4.75 out of 5 and

was reported to the Board at its first quarter meeting in 2025.

7.Other required notes for the meetings: None.

2.3.6 Promotion status of sustainable development and discrepancy with industry standards in sustainable development practices and reasons

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Yes	
<p>I. Does the Company have a governance structure for promoting sustainable developments and exclusively (or concurrently) dedicated units to be in charge of proposing and enforcing sustainable development, and let the Board of Directors entrust the highranking management with the implementation and supervise the status?</p>	V		<p>1. Establishment of the Corporate Sustainability Development Committee In order to implement sustainable business management, the Company' s Board of Directors established the "Corporate Sustainability Development Committee" on August 11, 2021, and passed the relevant organizational regulations as the basis for its operations.</p> <p>2. Staffing and Policy Promotion According to the regulations of the Corporate Sustainability Development Committee, the second-term "Corporate Sustainability Development Committee" consists of the Chairman and four independent directors, with the Chairman serving as the Committee Chair and Independent Director Wu Jinbo as the Vice Chair. The Committee is responsible for reviewing the formulation of the Company' s sustainability policies, the execution of these policies, and the review of their effectiveness. The Committee reports the results of its work to the Board of Directors annually. Additionally, the Committee closely monitors issues raised by stakeholders, including shareholders, customers, suppliers, employees, government, non-profit organizations, communities, and media, and oversees communication plans to promote corporate sustainability.</p> <p>3. Achievements in 2024 The achievements in corporate sustainability development were reported to the Board of Directors on December 30, 2024. For detailed execution results, please refer to "Section 7: Other Important Information Contributing to Understanding Corporate Sustainability Development."</p> <p>4. Participation in External Learning and Evaluation The project secretary actively participated in external sustainability-related courses and evaluations to learn how to implement the United Nations Sustainable Development Goals (SDGs) in Corporate Social Responsibility (CSR) and enhance the Company' s sustainability capabilities. In 2024, the following courses were participated in:</p> <ul style="list-style-type: none"> ● Carbon Master Public Lecture Series by the Carbon Foundation ● 2024 Sustainable Finance and Financial Academic Lecture Series by the Taiwan Financial and Economic Association ● Sustainable Courses in the Negotiation Management and Political Economics Lecture Series by the Chinese Negotiation Management Association ● "Epic Modern Revelation Phase II" Sustainability Course by National Taiwan University Extension Education ● "The Path of First Movers: Turning ESG into Growth Drivers" Sustainability Seminar by National Taipei University of Business ● Sustainable Finance and Net-Zero Innovation Competition Results Presentation and Forum ● 2024 Internal Control System and Sustainability Information Management Advocacy Session ● Sustainability Knowledge Empowerment Advocacy Course ● Operations Model and Supply Chain Management (North Taiwan EMBA, 18-week course, 3 hours every Saturday) ● USR Business Ethics and Social Responsibility Practice (One semester course) ● I PAS Net-Zero Planning Management ● Organizational Greenhouse Gas Inventory ● Level A Labor Safety and Health Supervisor Retraining ● 54-hour Advanced Financial Management Business Diagnosis Advisory Program by the Ministry of Economic Affairs' Small and Medium Enterprise Administration (This course is divided into three stages, totaling 162 hours) <p>This comprehensive approach highlights the Company' s commitment to sustainability, from policy formulation and execution to external learning and stakeholder engagement.</p>	<p>Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"</p>

<p>2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?</p>	<p>V</p>	<p>This disclosure covers the company's sustainability performance at its key locations from January to December 2024, with the scope of risk assessment primarily focused on Taiwan.</p> <p>The company has established a Risk Management Practices Code as a guiding principle for risk management. Each year, the ESG Task Force under the Corporate Sustainability Development Committee collects and consolidates relevant information to set risk management objectives. In compliance with ISO 14001 and ISO 45001, the company monitors potential risks across various departments, implements preventive measures, and formulates risk management strategies to strengthen overall risk control. This ensures effective identification, assessment, and management of risks, keeping business-related risks within an acceptable range.</p> <p><u>Environmental Issues</u></p> <p>The company has established response procedures to address environmental management issues relevant to its industry, with the primary goal of mitigating and preventing environmental impacts. The company's environmental management measures are as follows:</p> <table border="1" data-bbox="539 555 1257 869"> <thead> <tr> <th>Environmental Issue</th> <th>Response Measures</th> </tr> </thead> <tbody> <tr> <td>Resource Recycling and Waste Management</td> <td rowspan="2">Environmental Operation Management Measures</td> </tr> <tr> <td>Pollution Prevention and Resource Conservation</td> </tr> <tr> <td>Hazardous Substances Management</td> <td>Hazardous Substances Management Procedures</td> </tr> <tr> <td>Water Resource Management</td> <td>Wastewater and Facility Boundary Noise Management Procedures</td> </tr> <tr> <td>Energy Consumption and Greenhouse Gas Emissions</td> <td>Energy Consumption and Greenhouse Gas Emission Management Procedures</td> </tr> </tbody> </table> <p>In response to the impact of climate change on business operations, the company has identified climate change and hazardous substance pollution as key risk factors. Accordingly, it has established the Energy Consumption and Greenhouse Gas Emission Management Procedures, Hazardous Substances Management Procedures, and Supplier/Subcontractor Management Procedures, with regular reporting to the Board of Directors and the Corporate Social Responsibility Committee.</p> <p>Each department conducts business assessments and risk identification related to climate change, analyzing risks and opportunities arising from direct or indirect impacts of extreme weather events. The company integrates these insights into its risk management strategy, which serves as the foundation for climate action planning, enabling the estimation of management costs and financial impacts.</p> <p>By systematically collecting and analyzing relevant data, the company enhances its climate governance, evaluates financial implications, mitigates risks, and capitalizes on business opportunities.</p> <table border="1" data-bbox="539 1249 1257 1944"> <thead> <tr> <th>Risk Factor</th> <th>Risk Description</th> <th>Response Strategies & Goals</th> </tr> </thead> <tbody> <tr> <td>Greenhouse Gas Reduction & Carbon Pricing</td> <td>In compliance with domestic regulatory carbon reduction targets for climate change mitigation, the company must conduct carbon inventories and plan for emissions reduction. Additionally, with the government's implementation of a carbon pricing mechanism, excessive carbon emissions will result in fines, increasing operational costs.</td> <td>To align with the global carbon pricing mechanism, Dyaco has initiated ISO 14064-1 greenhouse gas inventory procedures. Moving forward, Dyaco will identify key emission sources and develop a carbon reduction plan.</td> </tr> <tr> <td>Changing Customer Preferences</td> <td>As global and regional sustainability awareness grows, customers increasingly prefer low-carbon or environmentally friendly products. Products that fail to meet these demands may be phased out of the market.</td> <td>Dyaco follows the global trend of energy conservation and carbon reduction by developing green energy products, such as electric-assisted bicycles. The company is also assessing the use of recyclable materials in production and aims to increase the revenue share of green energy products in the future.</td> </tr> </tbody> </table>	Environmental Issue	Response Measures	Resource Recycling and Waste Management	Environmental Operation Management Measures	Pollution Prevention and Resource Conservation	Hazardous Substances Management	Hazardous Substances Management Procedures	Water Resource Management	Wastewater and Facility Boundary Noise Management Procedures	Energy Consumption and Greenhouse Gas Emissions	Energy Consumption and Greenhouse Gas Emission Management Procedures	Risk Factor	Risk Description	Response Strategies & Goals	Greenhouse Gas Reduction & Carbon Pricing	In compliance with domestic regulatory carbon reduction targets for climate change mitigation, the company must conduct carbon inventories and plan for emissions reduction. 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Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Yes	
			<p>Reducing energy consumption and ensuring the efficient use of resources not only improve sustainability but also help minimize the use of hazardous substances, thereby mitigating environmental pollution.</p> <p><u>Social Issues</u> Employee safety and well-being are the company's top priorities. To ensure both physical and mental health and enhance workplace safety, Dyaco has established the Social Responsibility Management Manual as a guiding framework. The company promotes workplace safety and employee well-being through:</p> <ul style="list-style-type: none"> ● Regular health check-ups ● Fire drills ● Workplace safety training programs <p><u>Corporate Governance</u> To safeguard the company's reputation and ensure compliance with regulatory requirements, Dyaco has implemented strong corporate governance measures. The company has established the following committees and governance structures:</p> <ul style="list-style-type: none"> ● Audit Committee ● Compensation and Remuneration Committee ● Corporate Sustainability Development Committee ● Nomination Committee ● Corporate Governance Officer <p>These entities work together to oversee regulatory compliance, enhance governance, and reinforce the company's commitment to ethical and transparent management.</p>	
3. Environmental issues (1). Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		<p>Our company complies with environmental regulations set by the Ministry of Environment, including the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, and the Toxic and Concerned Chemical Substances Control Act. Based on these regulations, we have established the Environmental, Safety, and Health Management Manual, Environmental Operation Management Measures, and Energy Consumption and Greenhouse Gas Emission Management Procedures.</p> <p>In August 2024, the company successfully obtained ISO 14001:2015 certification after passing an SGS external audit. The certification is valid from August 14, 2024, to August 14, 2027.</p>	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"
(2). Does the Company endeavor to improve energy usage efficiency and use renewable materials which have a low impact on the environment?	V		<p>1. As the company's products are primarily exported to EU markets, we strictly adhere to hazardous substance operation standards to ensure that all materials comply with EU substance restrictions. Suppliers must provide materials that meet RoHS, REACH, and PAHs regulatory standards, along with certified test reports or self-declaration statements. This ensures that materials are harmless to human health and reduce environmental risks. As of 2024, a total of 308 suppliers have signed the Hazardous Substance Restriction Guarantee, achieving a 62.73% compliance rate among raw material suppliers (Category F). No supplier partnerships were terminated due to non-compliance.</p> <p>2. Following the Environmental Safety and Health Management Manual and Environmental Operation Management Procedures, the company has implemented energy-saving measures led by the General Manager and the Management Department. To enhance the use of green energy, the company has adopted a solar power system policy, leasing out factory rooftops for solar panel installation. Electricity generated is sold back to Taiwan Power Company (Taipower). Initially, the company had three solar power systems, and in 2024, three additional systems were installed, bringing the total to five systems. In 2024, the solar power initiative resulted in a CO₂ reduction of 1,204,521 kg. Additionally, the solar panels help block heat radiation, reducing indoor temperatures and lowering air conditioning energy consumption.</p>	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Item	Implementation status				Discrepancy with industry standards in sustainable development practices and reasons for listed companies																																	
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(3). Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	V		The company's assessment of climate change-related risks and opportunities, along with corresponding response measures, is detailed in 3.7.1.		Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"																																	
(4). Does the company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for energy conservation & carbon reduction, greenhouse gas emission reduction, water use reduction, and other waste management?	V		<p>1.Greenhouse gas emission The company's greenhouse gas inventory results, assurance status, and reduction policies are detailed in 3.7.2</p> <p>2.Water usage The company has long been committed to water resource conservation and environmental protection. As part of its water-saving initiatives, the company not only enforces daily water conservation practices but also has implemented a wastewater treatment system. This system recycles and reuses water from the painting process, with an approximate daily reuse volume of 12 tons.</p> <p>Water Usage in the Last Two Years:</p> <table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Water Consumption (tons)</td> <td>15.567</td> <td>22.603</td> </tr> <tr> <td>Wastewater Discharge (tons)</td> <td>15.221</td> <td>20.821</td> </tr> <tr> <td>Water Usage (tons)</td> <td>0.346</td> <td>1.782</td> </tr> </tbody> </table> <p>Additionally, the company has installed a pre-treatment wastewater system. Before discharging wastewater from factory operations into the sewer system, it first undergoes treatment to reduce COD (Chemical Oxygen Demand) and SS (Suspended Solids). This ensures the treated wastewater meets the standards required for discharge into the sewer system, thus reducing the burden on the industrial area's wastewater treatment system. In 2024, there were no incidents of fines due to violations of wastewater discharge standards.</p>			2023	2024	Water Consumption (tons)	15.567	22.603	Wastewater Discharge (tons)	15.221	20.821	Water Usage (tons)	0.346	1.782	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"																					
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Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies																								
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(5). Does the company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for energy conservation & carbon reduction, greenhouse gas emission reduction, water use reduction, and other waste management?	V		<p>3.Waste Management</p> <p>The company manages waste according to the Environmental Operations Management Program and implements the ISO 14001:2015 Environmental Management System to control waste processes. The goal is to minimize environmental impact in the areas of storage, transportation, recycling, or incineration and landfill. The waste generated during the manufacturing process includes inorganic sludge, waste dust ash, and general household waste, all of which are handled by qualified disposal contractors according to the Environmental Protection Administration (EPA) regulations.</p> <p>To ensure proper disposal of each batch of waste, Dyaco International conducts periodic visits to its service providers, documenting and tracking the final disposal certificates provided by the contractors.</p> <p>Waste Generation in the Last Two Years :</p> <table border="1"> <thead> <tr> <th></th> <th>2023</th> <th>2024</th> <th>Disposal Method</th> </tr> </thead> <tbody> <tr> <td>Inorganic Sludge(D-0902)</td> <td>26.7</td> <td>23.1</td> <td>Recycled and Reused</td> </tr> <tr> <td>Waste Dust(D-1099)</td> <td>3.2</td> <td>3.01</td> <td>Recycled and Reused</td> </tr> <tr> <td>Waste Plastics (R-0201)</td> <td>0</td> <td>2.58</td> <td>Recycled and Reused</td> </tr> <tr> <td>Household Waste (D-1801)</td> <td>14.0</td> <td>39</td> <td>Incineration</td> </tr> <tr> <td>Total Waste</td> <td>43.95</td> <td>67.69</td> <td></td> </tr> </tbody> </table>		2023	2024	Disposal Method	Inorganic Sludge(D-0902)	26.7	23.1	Recycled and Reused	Waste Dust(D-1099)	3.2	3.01	Recycled and Reused	Waste Plastics (R-0201)	0	2.58	Recycled and Reused	Household Waste (D-1801)	14.0	39	Incineration	Total Waste	43.95	67.69		
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<p>4. Social issues</p> <p>(1). Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	V		<p>The company has long focused on human rights issues, particularly strengthening workplace safety. Referring to international human rights conventions and workplace safety-related regulations, the company has developed a Social Responsibility Management Manual to commit to protecting employees' human rights and complying with relevant standards. This commitment aims to enhance employee loyalty, cohesion, and the overall competitiveness of the company.</p> <p>The company prohibits any forms of threats, abuse, exploitation, and coercive sexual harassment in the workplace. It also strictly adheres to social responsibility regulations and local labor laws, banning child labor. If child labor is discovered, the company will implement appropriate corrective measures. Additionally, the company has established policies and procedures to review labor safety, health regulations, and ethical standards every year. Any form of forced labor is strictly prohibited, ensuring that employees work voluntarily. If forced labor is identified, the labor representatives will immediately collaborate with management representatives to complete an initial investigation and corrective actions within one week. In 2024, no such incidents occurred. Moreover, the company has set up a Human Resources Hotline for employees and job seekers to file complaints when necessary.</p>	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"																								

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies																		
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			<p>Training on international human rights conventions: A total of 548 hours of education and training in 2024.</p> <table border="1"> <tr> <td>Matter of Concern</td> <td>The Company' s Specific Management Plan</td> <td>2024 Number of Case</td> </tr> <tr> <td>Humane treatment</td> <td>Humane treatment management procedures are in place to ensure that staff are not subjected to inhumane treatment.</td> <td>0</td> </tr> <tr> <td>Eliminating unlawful discrimination to ensure equal opportunities in employment</td> <td>Discrimination prohibition management procedures are in place to provide fair and reasonable work opportunities and humane treatment so that the Company does not discriminate in hiring, compensation, training, promotion, or termination.</td> <td>0</td> </tr> <tr> <td>Prohibition of child labor</td> <td>Strictly enforce the requirements of social responsibility management regulations and Labor Standards Act, prohibit the use of child labor and establish procedures for child and youth labor management.</td> <td>0</td> </tr> <tr> <td>Freedom of association, collective bargaining, trade union membership and religion</td> <td>The Company protects and respects employees' freedom of association, union membership, religion and participation in collective bargaining, and has management procedures therefor.</td> <td>0</td> </tr> <tr> <td>Matter of Concern</td> <td>The Company' s Specific Management Plan</td> <td>2024 Number of Case</td> </tr> </table>	Matter of Concern	The Company' s Specific Management Plan	2024 Number of Case	Humane treatment	Humane treatment management procedures are in place to ensure that staff are not subjected to inhumane treatment.	0	Eliminating unlawful discrimination to ensure equal opportunities in employment	Discrimination prohibition management procedures are in place to provide fair and reasonable work opportunities and humane treatment so that the Company does not discriminate in hiring, compensation, training, promotion, or termination.	0	Prohibition of child labor	Strictly enforce the requirements of social responsibility management regulations and Labor Standards Act, prohibit the use of child labor and establish procedures for child and youth labor management.	0	Freedom of association, collective bargaining, trade union membership and religion	The Company protects and respects employees' freedom of association, union membership, religion and participation in collective bargaining, and has management procedures therefor.	0	Matter of Concern	The Company' s Specific Management Plan	2024 Number of Case	
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(2). Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		<p>1. According to the company's current Articles of Association, employee compensation shall be distributed at no less than 1% of the company' s annual profit, while director compensation shall be distributed at no more than 5% of the annual profit. However, if the company has accumulated losses, those losses must first be offset before compensation is distributed.</p> <p>2. The company regularly or irregularly holds internal meetings and sends promotional emails to clarify the various company regulations that employees must follow. Relevant records of these communications are kept. Additionally, the company has established personnel regulations and an annual mid-year and year-end employee performance review process. Employee rewards and penalties will be handled fairly and justly according to these procedures and incorporated into the annual performance evaluation indicators, ensuring the company' s commitment to implementing these policies.</p> <p>3. The company' s year-end bonus system is based on 2% of the after-tax operating profit for the year. The bonus is distributed to all employees based on their years of service and annual performance evaluations to encourage collective effort toward the company' s goals. Additionally, the company repurchases treasury stocks for the purpose of transferring shares to employees based on their annual performance evaluations.</p> <p>Based on the results of the performance assessments mentioned above, the company utilizes employee compensation, year-end bonuses, repurchased shares, and employee stock option plans to incentivize employees, ensuring the implementation of the performance evaluation system and linking it with compensation and benefits</p>	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"																		

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Yes	
(3). Does the company provide a safe and healthy working environment and provide employees with regular safety and health training?	V		<p><u>Occupational Safety and Health</u> In line with the philosophy of caring for employees and emphasizing workplace health and safety. The company implemented the ISO 45001 Occupational Health and Safety Management System. Following the "Risk and Opportunity Management Measures", the company has established an Occupational Safety and Health Committee, led by the General Manager as the chairperson. The committee consists of 13 members, including 5 labor representatives (38%), occupational safety and health personnel, department heads, and medical staff. The committee holds quarterly meetings to regularly review and discuss policies, track effectiveness, and ensure that we are working towards our goal of zero accidents, zero occupational diseases, and zero incidents. This effort is aimed at creating the safest possible working environment and minimizing operational risks caused by employee injuries.</p> <p>In 2024, the company did not experience any major workplace accidents in the Taiwan region. The primary type of occupational injuries was pinch injuries, which were caused by unsafe employee behavior (rather than mechanical accidents). As the workforce has increased, supervisors in each unit have strengthened on-site patrols, and the factories have gradually adopted automated machinery such as automatic sealing machines, automated lifting platforms, and robotic arms to reduce the risk of injury and physical strain from manual handling. The following information pertains to the company's three factories in Changhua, Taiwan: Factory 1 (342 employees, including 9 subcontractors), Factory 2 (75 employees, including 2 subcontractors), and Factory 5 (32 employees, including 2 subcontractors).</p> <p>Following the "Risk and Opportunity Management Measures" and the "Occupational Safety and Health Training Regulations", new employees are required to undergo 6 hours of occupational safety and health training before starting work. The training is conducted with the assistance of labor safety colleagues and covers topics such as regulations, workplace inspections, standard operating procedures, emergency response handling, fire safety and first aid, and the right to withdraw. This training effectively helps prevent accidents and reminds employees to stay alert to safety practices. Additionally, employees working with overhead cranes or forklifts on the production line are required to undergo external training and obtain relevant certification before being allowed to operate these machines, ensuring safe usage and operation.</p>	
			<p><u>Occupational Safety Management System & Policy</u> 1. Working Environment Monitoring Report To ensure the employees' health and safety, grasp the working environment's actual conditions, and assess the risk exposure to employees, three factories in Changhua entrust a qualified monitoring company to implement the risk assessment every six months</p> <p>2. Strengthen On-Site Inspections At Dyaco, we believe prevention is always better than treatment. This makes the on-site safety observation and auditing a critical task, discovering the unsafe behaviors, environments, and equipment in advance and improving to ensure that every employee is working under safety protection. Therefore, it is required for the supervisor to frequent on-site patrol. Any unsafe behavior will be communicated and corrected immediately; if there is danger (such as fire, explosion, etc.) during work, employees should retreat to a safe place without endangering their safety and immediately report to the supervisor.</p> <p>3. Chemical Classification Management According to the Chemical Control Banding (CCB) of the Occupational Safety and Health Administration of the Ministry of Labor's safety data sheet, chemical factory operations can be divided into different hazard groups. Employees are educated to identify hazards accordingly to avoid them from happening.</p> <p>4. Safety and Health Management of Contractors Contractors must fill in a hazard notice, which indicates the construction time, location, and possible hazards and provides instructions for safety precautions when entering the factory for construction.</p> <p><u>Training Situation</u> In 2024, the company conducted a total of 3,260 hours of external training and 1,523 hours of internal training related to workplace safety.</p> <p><u>Certification Status</u> The company has obtained ISO 45001 certification for Occupational Health and Safety Management.</p>	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Yes	
(4). Does the company set up effective career development and training programs for its employees?	V		<p>1. The Company values the long-term career development of its employees, and every year, in addition to the education and training courses required by law, encourages employees to participate in internal and external training to enhance their practical skills.</p> <p>2. In 2024, the company offered 104 internal and external training courses, totaling 7,976.5 hours of training. A total of 3,218 employees participated in these courses. The company places great emphasis on production processes and employee occupational safety. Specifically, for skilled workers, the company arranges quarterly training sessions covering process specialization, labor safety, and occupational health to ensure compliance with safety standards and certifications. To maintain the quality of education and training, feedback forms are provided after each session.</p> <p>3. The company encourages employees to conduct self-assessments after training, which not only benefits their personal development but also serves as a reference for future training course arrangements. Additionally, employees are encouraged to pursue continuing education at universities to enhance their skills and broaden their perspectives for decision-making in the workplace. The company offers a professional development subsidy, and in 2024, 4 employees applied for this subsidy for further education.</p>	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"
(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 has it established relevant consumer or customer protection policies and grievance procedures?	V		<p>1. Customer health and safety The Company values quality, introduces the ISO operation process, and complies with the relevant governmental regulations on R&D, procurement, production, operation, and service process in internal control to ensure the transparency and security of product labeling and service information.</p> <p>2. Customer Privacy According to privacy statements as set out in customer service (personal information guarantee policy), customer's personal information shall only be collected to provide transaction-related operations, provide other information or services to users, compile member statistics, conduct surveys or research on Internet activity, or for other lawful use of information, and only internal business personnel shall have the authority to inquire about and access customer personal information.</p> <p>3. Marketing and labelling The Company actively manages products and processes systematically to ensure compliance with international standards and has passed the latest version of ISO9001 Quality Management System and ISO13485 Medical Device Quality Management System. Furthermore, many of our products conform to international safety certifications, including UL/CSA, CE, GS, ROHS, and WEEE, and our products and processes are continually endeavoring to be internationally compliant. The Company has a complaint line and e-mail address for handling complaints or disputes to protect consumer rights.</p> <p>4. Consumer Protection Policy and Complaints Procedure (1) Customer complaints are accepted daily and responded to within 36 hours to maintain customer trust. (2) The company provides customer service information on the company website to give customers a better understanding of the services offered (www.dyaco.com.tw). (3) To protect consumer rights, the company has set up a complaints mailbox on the website (info@dyaco.com).</p>	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Yes	
(6). Has the company formulated 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?			<p>1. Supplier Commitment: All suppliers must sign a Supplier Responsibility Commitment before cooperation, pledging to comply with national and local labor laws and social standards.</p> <p>2. Annual Supplier Audits: The procurement department conducts evaluations at least once a year using the Supplier Social Responsibility Audit Checklist, covering 60 criteria across five categories: labor, health & safety, environment, ethics, and management. Suppliers must comply with required improvements; failure to meet environmental, occupational safety, or social responsibility standards may result in contract termination or disqualification</p> <p>3. Compliance with EU Regulations: As the company's main export markets include EU countries, all materials must meet RoHS, REACH, and PAHs regulations. Suppliers must provide certified test reports or self-declarations ensuring materials are harmless to human health and environmentally safe.</p> <p>4. Conflict Minerals Investigation: The company conducts regular due diligence on electronic material suppliers to ensure the absence of conflict minerals (tantalum, tin, tungsten, and gold) sourced from the Democratic Republic of the Congo and neighboring regions. The procurement department reviews updates quarterly, requiring suppliers to reaffirm their compliance as regulations evolve.</p> <p>5. 2024 Supplier Compliance & Implementation Summary: (1) Hazardous Substance Restrictions Compliance: 308 suppliers signed the Hazardous Substance Restriction Guarantee, covering 62.73% of raw material suppliers (Category F). No suppliers were terminated due to non-compliance. (2) Conflict Minerals Investigation: 7 electronic material suppliers were verified free of conflict minerals (tantalum, tin, tungsten, gold) from the Democratic Republic of the Congo and neighboring regions. (3) Supplier Audits on ESG Compliance: Conducted environmental, occupational safety, and social responsibility audits on 265 suppliers. (4) Supplier Occupational Safety Commitment: 243 suppliers signed the Supplier Safety & Health Commitment, aligning with the ISO 45001 Occupational Health & Safety Management System.</p>	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"
5. Does the Company adopt internationally widely recognized standards or guidelines when producing sustainability reports and reports disclosing the Company's nonfinancial information? Do the reports above obtain assurance from a third party verification unit?	V		<p>The company has prepared the 2023 Sustainability Report following the Global Reporting Initiative (GRI) standards, including general, sector, and material topic-specific guidelines. The report discloses the company's economic, environmental, and social (including human rights) impacts, along with reporting requirements. Additionally, the report aligns with the Sustainability Accounting Standards Board (SASB) framework, providing sector-specific disclosures and the SASB content index for reference.</p> <p>The 2023 Sustainability Report includes a GRI content index, verified by the French Standards Association and certified with SGS AA1000 Type 1 Moderate Assurance.</p> <p>Past Sustainability Reports are publicly available on the company website: https://dyacoeg.com/zh_tw/download/.</p>	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"
6. If the Company has established sustainable development principles based on Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the principles and their implementation: : The Company has formulated the "Sustainable Development Best Practice Principles" to fulfill its corporate social responsibility.				

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Yes	

7. Other important information to facilitate better understanding of the implementation of Sustainable Development:

The implementation of Sustainable Development in 2024

Community involvement, social contribution, social services and social benefits	<ol style="list-style-type: none"> 1. Developing a Sustainable Environment and Strengthening Climate Change Resilience Since 2024, the company has been conducting ISO 14064-1 greenhouse gas (GHG) inventory operations for its group and subsidiaries. It aims to obtain ISO 14064-3 certification in 2025. Once the overall GHG emissions of the group are confirmed, a comprehensive carbon reduction plan will be formulated. 2. Promoting Social Welfare and Supporting Education in Remote Areas The company established the Taipei Dayou International Charity Foundation, which collaborates with social welfare organizations to run the "Dayou Learning Program." This program includes the "One-on-One Remote Reading Companion Project", providing after-school reading support for children in rural areas. Beyond reading, the initiative ensures that children grow up in a nurturing environment. In 2024, the program supported 15 children. 3. Enhancing Corporate Sustainability Information Disclosure To improve access to corporate sustainability information, the company has updated its official website to include a dedicated sustainability page. Efforts are also underway to optimize this section further. In the future, the sustainability page will be separated from the main corporate website to enhance transparency, improve information disclosure, and strengthen external communication 4. Planning for Green Building Initiatives in New Factories The new Taichung Dajia plant was designed with sustainability in mind. It features a rooftop solar power system, a rainwater recycling irrigation system, an aerial storage system, and an automated warehouse system. The plant has already received a Bronze-Level Candidate Green Building Certification.
Support domestic cultural development	<p>Our company actively invests in and supports the growth of the cultural and creative industry, aiming to drive its overall progress through concrete actions while fulfilling our corporate social responsibility. To this end, we have invested NT\$4 million to acquire a 40% stake in Hong Da Xin Projection Co., Ltd. and NT\$7.5 million to acquire a 7.5% stake in Florence Creative Co., Ltd.</p> <p>Hong Da Digital Film has partnered with FarEasTone Telecom, Star Ritz, and Pili International Multimedia to co-found Vision Creator Co., Ltd. and later established Mishen International Co., Ltd. With "IP Creation" as its core strategy, the company focuses on investing in and fostering Taiwan's film and television industry, bringing high-quality content to the global market. A prime example of this effort is the 2024 film 18x2 Beyond Youthful Days, which showcases the exceptional creative capabilities of Taiwan's film industry.</p> <p>Florence Creative Co., Ltd. integrates innovative AR interactive technology with art and hosted several iconic exhibitions in 2024, including The Animated Along the River During the Qingming Festival, Bologna Illustration Exhibition, Art Nouveau Light and Shadow Exhibition, and National Geographic Women: A Century of Exploration. These exhibitions blend technology and art, offering audiences a fresh sensory experience while promoting innovation and accessibility in cultural arts.</p> <p>We remain committed to advancing Taiwan's film, literature, and other cultural content and plan to bring these works to Japan, South Korea, and other international markets. Moving forward, we will continue to collaborate with global partners to deepen cross-border cooperation, ensuring that Taiwan's cultural and creative industry shines on the world stage.</p>

2.3.7 Climate-related Information

1. Climate-related Information and Implementation Status :

Item	Implementation Status															
<p>1. Specify the supervision and governance that the Board of Directors and the management have on climate-related risks and opportunities.</p>	<p>To establish a clear operational framework for the Corporate Sustainability Development Committee, the Board of Directors approved the "Corporate Sustainability Development Committee Charter" on August 11, 2021. Following the charter, the second-term Corporate Sustainability Development Committee is composed of the Chairman and four Independent Directors, with the Chairman serving as the Chairperson and Independent Director Mr. Wu Chin-Po serving as the Vice Chairperson. The purpose of the Corporate Sustainability Development Committee is to review the formulation, implementation, and effectiveness of the company's sustainability policies. The Committee reports its annual achievements to the Board of Directors on a regular basis. In addition, the Committee actively monitors issues of concern to various stakeholders—including shareholders, customers, suppliers, employees, government agencies, non-profit organizations, communities, and the media—and oversees related communication plans to fulfill the company's commitment to sustainable operations.</p> <p>In 2024, the Corporate Sustainability Development Committee convened two meetings, achieving a 100% attendance rate. At the end of the year, the company conducted a performance evaluation of the Committee based on four key dimensions: (1) the Committee's level of engagement in company operations, (2) understanding of the Committee's responsibilities, (3) enhancement of decision-making quality, and (4) composition and selection of Committee members. In the 2024 self-assessment, the Committee members achieved an overall average score of 4.82 out of 5.</p>  <pre> graph TD Chairperson --> ViceChairperson ViceChairperson --> Member Member --- ES[Executive Secretary] Member --> ESGWG[ESG Working Group] ESGWG --> CG[Corporate Governance] ESGWG --> P[Partnership] ESGWG --> VI[Value Innovation] ESGWG --> JW[Joyful Workplace] ESGWG --> S[Sustainability] ESGWG --> SC[Social Concern] </pre>															
<p>2. Specify how the identified climate risks and opportunities impact corporate business, strategies, and finance(short-term, mid-term, long-term).</p>	<p>In line with the global commitment to achieving "net-zero emissions by 2050," Dyaco International is actively working to enhance climate awareness among its management team and employees. In addition to offering periodic training courses, the company also issues a biweekly Sustainability Newsletter to share the latest insights on sustainability, strengthen adaptability to the impacts of climate change, and improve problem-solving capabilities, thereby reducing operational risks associated with environmental factors. The company has set short-term (3-year) goals focusing on energy consumption, management of greenhouse gas emissions, and inventory. For the medium-term (5-year) and long-term (10-year) goals, Dyaco aims to improve energy resource efficiency based on the results of carbon inventories and progressively reduce greenhouse gas emissions year by year.</p> <table border="1" data-bbox="462 1317 1460 2029"> <thead> <tr> <th>Risk Level</th> <th>Risk Type</th> <th>Risk Factors</th> <th>Risk Description</th> <th>Financial Impact</th> <th>Impact Duration</th> <th>Response Strategies and Objectives for Dyaco</th> </tr> </thead> <tbody> <tr> <td>Significant</td> <td>Transition Risks</td> <td>Policy and Legal Risks</td> <td>Greenhouse gas reduction and carbon pricing</td> <td>Following the carbon reduction goals set by domestic regulatory authorities in response to climate change, the company must conduct carbon inventories and implement carbon reduction plans. Additionally, with the government promoting carbon pricing mechanisms, exceeding</td> <td>Increase in operating costs</td> <td>Short-term (3 years)</td> <td>To respond to the global carbon pricing mechanism, Dyaco has initiated the ISO 14064-1 greenhouse gas inventory. Subsequently, Dyaco will identify emission hotspots and come up with carbon reduction plans.</td> </tr> </tbody> </table>	Risk Level	Risk Type	Risk Factors	Risk Description	Financial Impact	Impact Duration	Response Strategies and Objectives for Dyaco	Significant	Transition Risks	Policy and Legal Risks	Greenhouse gas reduction and carbon pricing	Following the carbon reduction goals set by domestic regulatory authorities in response to climate change, the company must conduct carbon inventories and implement carbon reduction plans. Additionally, with the government promoting carbon pricing mechanisms, exceeding	Increase in operating costs	Short-term (3 years)	To respond to the global carbon pricing mechanism, Dyaco has initiated the ISO 14064-1 greenhouse gas inventory. Subsequently, Dyaco will identify emission hotspots and come up with carbon reduction plans.
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					carbon emission limits may result in fines, leading to additional operational costs.			
			Market Risk	Change in customer preferences	In response to the global or regional rise in sustainability awareness, customers prefer low-carbon or environmentally friendly products. Products that do not meet consumer demands may face market elimination.	Decrease in income. Increase in research and development expenses.	Short-term (3 years)	Dyaco follows the global trend of energy conservation and carbon reduction by developing and manufacturing green energy products that meet consumer demands, such as electric-assist bicycles. The company evaluates the use of recyclable materials in manufacturing and aims to increase the revenue share of green energy products in the future.
		Rise in raw material costs		Climate change leads to an increase in the cost of raw materials. This results in suppliers raising the costs with the company, thereby causing an increase in manufacturing costs.	ncrease in operating costs.	Medium-term (5 years)	Conducting supplier audits and surveys to understand the greenhouse gas emissions of each supplier, reducing collaboration frequency with suppliers that have high greenhouse gas emissions or have not set emission reduction targets. This strategy aims to effectively mitigate the risks associated with increased costs of raw materials.	
		Technology Risk		Low-carbon technology	Due to the factors	Increase in operating	Short-term (3	Dyaco plans to conduct an

			transformation	associated with climate change, adopting innovative processes or procedures under existing conditions, or altering the way services are provided, becomes necessary to meet the low-carbon demands of both the government and customers.	costs. Increase in operating expenses.	years)	inventory of existing factories and equipment, assessing the greenhouse gas emissions at various stages of the production process. Identifying high-emission hotspots will enable the formulation of a carbon reduction plan.
Minor	Physical Risks	Acute Risk	Typhoons, Heavy rainfall	The increased frequency of severe typhoon impacts and extreme rainfall may result in operational disruptions for the company. This could potentially lead to flooding or water accumulation in the factory, causing asset losses and impacting equipment production schedules.	Decrease in operating income. Increase in operating costs.	Short-term (3 years)	Dyaco will enhance disaster preparedness drills and awareness at various locations, ensuring personnel safety. Additionally, the company will implement supply chain management measures to reduce the risk of disruptions due to shortages or breaks in the supply chain.
Opportunities Type	Opportunities Factors	Response Strategies and Objectives for Dyaco		Financial Impact	Impact Duration		
Resilience	Participation in renewable energy programs and adoption of energy-efficiency measures	Dyaco has installed solar panels on the roofs of all three factories in Changhua. Solar power generation has been planned on the rooftops in constructing new facilities and participating in renewable energy projects.		The initial setup of solar power generation may incur additional cost expenditures, but subsequent solar power generation can increase revenue through selling excess electricity.	Short-term (3 years)		
Markets	Access to new markets and increasing consumer willingness to purchase	Dyaco is entering the green energy market, not only developing and manufacturing electric-assist bicycles but also continuing research and development of low-carbon products. This aims to meet consumer demand for green energy, enhancing the company's		The product will incur increased research and development expenses during the development and manufacturing stages. However, once the product is sold, it will	Medium-term (5 years)		

			green and sustainable image and reputation.	contribute to higher operating income.	
3. Specify the impacts of extreme weather incidents and the transitional action on finance.	<p>The company has adopted the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to assess potential climate-related risks and opportunities. We are also actively gathering and studying international climate change trends and industry-related developments to identify climate-related risks and opportunities specific to the company.</p> <p>Moving forward, we will analyze and assess the identified risks using a risk matrix to evaluate the likelihood and potential impact of each risk, and accordingly develop climate change strategies and response measures.</p> <p>Regarding extreme weather events, the company has currently identified secondary risks such as typhoons and heavy rainfall. The increasing frequency of severe typhoons and extreme rainfall events could cause business disruptions or lead to flooding or water accumulation at manufacturing sites, potentially resulting in asset damage and delays in equipment production. These impacts are expected to further affect the company's financial performance, including reduced operating income and increased operating costs. To mitigate these risks, the company will strengthen disaster prevention drills and awareness programs at all sites to ensure personnel safety. In addition, we will enhance supply chain management to minimize the risk of operational disruptions caused by supply shortages or supply chain interruptions.</p>				
4. Specify how the climate risk identification, evaluation, and management procedures are integrated in the overall risk management system.	<p>The company has established a "Corporate Sustainability Development Committee," chaired by Chairman Mr. Lin Yu-Ying, with Independent Director Mr. Wu Chin-Po serving as Vice Chairperson. The Committee is responsible for reviewing the company's sustainability policies, formulating management strategies for climate change issues, setting short-term, medium-term, and long-term goals, and evaluating performance outcomes. The Committee reports to the Board of Directors regularly.</p> <p>The Sustainability Task Force is responsible for proposing and executing the company's sustainability directions, targets, systems, related management policies, and specific action plans (including those related to climate change). The Task Force regularly reports its progress to the Corporate Sustainability Development Committee.</p> <p>Regarding climate change risk assessment, the Sustainability Task Force conducts climate-related risk surveys among senior management to identify the climate risks faced by Dyaco and their potential financial impacts. It also explores potential opportunities arising from climate-related risks and reports its findings to the Corporate Sustainability Development Committee.</p>				
5. If scenario analysis is applied in the evaluation of resilience against climate change risk, the scenario, parameters, assumptions, and analysis factors adopted as well as primary financial impacts shall be clarified.	<p>The company has not yet conducted scenario analysis to assess its resilience to climate change risks. Currently, the company's climate risk assessments are conducted once every three years, and scenario analysis is expected to be incorporated in the next assessment cycle.</p>				
6. If a transition plan is available to cope with climate-related risks, details about the plan and the indicators adopted to identify and manage substantial risks and the transition risk as well as the goals shall be clarified.	<p>Amid the global emphasis on sustainable development and green energy, Dyaco International is proactively assessing and seizing the opportunities arising from climate change to strengthen corporate resilience, expand market reach, and enhance financial performance through concrete actions.</p> <p>First, in terms of resilience, Dyaco supports renewable energy projects and adopts energy-saving measures. To promote the development of green energy, the company has leased the rooftops of three factories in Changhua to third-party providers for the installation of solar panels. Additionally, rooftop solar power systems have been incorporated into the planning and construction of new factories. Although the initial installation requires increased capital expenditure for equipment, the subsequent collection of rooftop rental income is expected to boost revenue. This impact is primarily considered short-term (within three years).</p> <p>In terms of market opportunities, Dyaco is actively expanding into emerging markets and boosting consumer purchasing intent. The company has invested in the development and manufacturing of electric-assisted bicycles and will continue to promote the development of low-carbon products to meet consumer demand for green energy solutions. This initiative aims to further enhance the company's green and sustainable brand image. While research and development costs are expected to rise during the product development and early manufacturing stages, product launches and sales are anticipated to contribute to increased operating revenue, with this impact expected over the medium term (approximately five years).</p> <p>Through these strategies, Dyaco International demonstrates a proactive and forward-looking approach to climate-related opportunities, aiming to drive long-term growth and value creation while promoting environmental sustainability.</p>				
7. If internal carbon pricing is adopted as the planning tool, the pricing criteria shall be clarified.	<p>The company currently does not use internal carbon pricing as a planning tool.</p>				
8. If related climate goals are set, the activities, greenhouse gas emission range, planned timeline, and annual targets, among others, that are covered shall be clarified. If carbon trade-off or renewable energy certificates (RECs) are used to achieve related goals, the source of the carbon reduction quota traded off and the quantity or the number of the renewable energy certificates (RECs) shall be clarified.	<p>The company has formulated measures in response to the "2050 Net Zero Emissions" goal, including:</p> <ol style="list-style-type: none"> (1) Establishing climate change adaptation and greenhouse gas reduction standards for new factories and new equipment; (2) Optimizing manufacturing processes to reduce air pollution; (3) Identifying high carbon emission hotspots and formulating carbon reduction plans <p>The company is also developing key climate performance indicators related to green energy, water, and electricity conservation, and product design. Dyaco has obtained the ISO 14064-1 Greenhouse Gas Inventory Declaration for its Taiwan operations and annually reviews its greenhouse gas emission reduction progress to achieve its 2050 Net Zero emissions target.</p> <p>Greenhouse Gas Emission Reduction Targets and Implementation Status</p> <ol style="list-style-type: none"> 1. Green Building: During the construction of new facilities, the company integrates energy storage and green energy considerations, prioritizing the procurement of smart and energy-efficient equipment. The newly completed Dajia Plant in Taichung has installed rooftop solar panels and has obtained a Candidate Certificate for Green Building – Bronze Level. 2. Process Improvement: The company uses natural gas as a heating fuel and applies powder electrostatic coating for the painting process, effectively reducing air pollutant emissions. 3. Ice Storage System Installation: To reduce energy consumption and daily office electricity usage, the administrative building and 				

	<p>assembly lines in Changhua use an ice storage system to supply chilled water pipelines. Automatic timers are set for the operation of the chillers to avoid unnecessary energy consumption due to human error.</p> <p>4. Real-time Electricity Monitoring and Recording: The company is upgrading to smart meters to enhance the precision of electricity usage measurement and achieve efficient energy management. Equipped with advanced communication technologies, smart meters enable two-way data exchange between users and utility providers, helping to optimize electricity usage, reduce energy waste, and promote the development of smart grids.</p> <p>5. Local Procurement: The company targets achieving 100% local procurement to reduce carbon emissions associated with upstream raw material sourcing.</p> <p>6. Establishing a Mid- to Long-term Carbon Reduction Roadmap: A comprehensive blueprint for carbon</p> <table border="1"> <thead> <tr> <th>2024</th> <th>2025</th> <th>2026</th> </tr> </thead> <tbody> <tr> <td>1. Dyaco's global subsidiaries plan to implement ISO 14064-1 greenhouse gas inventory standards. 2. Smart meters are being installed at the Changhua facilities.</td> <td>1. Expand the implementation of the energy management system. 2. Continue to reduce carbon emissions.</td> <td>1. Dyaco's global subsidiaries plan to adopt the IFRS Sustainability Disclosure Standards. 2. Develop a carbon reduction roadmap.</td> </tr> </tbody> </table>	2024	2025	2026	1. Dyaco's global subsidiaries plan to implement ISO 14064-1 greenhouse gas inventory standards. 2. Smart meters are being installed at the Changhua facilities.	1. Expand the implementation of the energy management system. 2. Continue to reduce carbon emissions.	1. Dyaco's global subsidiaries plan to adopt the IFRS Sustainability Disclosure Standards. 2. Develop a carbon reduction roadmap.
2024	2025	2026					
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9. Greenhouse gas inventory check and verification/validation	Please see the detailed explanation below *						

2. Greenhouse gas inventory and verification status of the company in the past two years

(1) Greenhouse Gas Inventory Information

The parent company, on an individual basis, must begin greenhouse gas inventory by 2026. Subsidiaries included in the consolidated financial statements must begin greenhouse gas inventory by 2027.

The consolidated group is required to establish a greenhouse gas inventory mechanism in accordance with the Greenhouse Gas Protocol published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), as well as the ISO 14064-1 standard issued by the International Organization for Standardization (ISO).

Starting from 2021, the company has conducted annual greenhouse gas inventories for its entity. Beginning in 2024, the company has also commenced regular greenhouse gas inventories for subsidiaries included in its consolidated financial statements. These efforts aim to comprehensively monitor greenhouse gas usage and emissions and to verify the effectiveness of emission reduction actions.

Additionally, the greenhouse gas inventory data for the most recent two years is based on the operational control approach and covers the greenhouse gas emissions of both the company and all subsidiaries included in the consolidated financial statements. The details are as follows:

		2023		2024	
		Total emissions (CO2e in tonnage)	Density	Total emissions (CO2e in tonnage)	Density
Parent company	Scope 1: Direct GHG emissions	522.67		506.4351	
	Scope 2: Indirect GHG emissions	1,606.12		1,491.0265	
	Total	2,128.79		1,997.4616	
All Subsidiaries Included in the Consolidated Financial	Scope 1: Direct GHG emissions	The inventory has not yet been conducted		1,084.5558	
	Scope 2:	The inventory has		1,621.6193	

Statements	Indirect GHG emissions	not yet been conducted		
	Total	The inventory has not yet been conducted		2,706.1751
Total		2,128.79	0.2733	4,703.6367
				0.6517

Note 1: Direct emissions (Scope 1, which are emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, which result from the purchase of electricity, heat, or steam and are considered indirect GHG emissions), and other indirect emissions (Scope 3, which are emissions from company activities but not from sources owned or controlled by the Company, instead coming from other companies' emissions sources).

Note 2: The data coverage for direct emissions and energy indirect emissions must comply with the timeline stipulated in Article 10, Paragraph 2 of these Guidelines. Disclosure of other indirect emissions information is voluntary.

Note 3: Greenhouse gas inventory standards refer to either the Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The coverage Area includes Factory 1, 2, and 5 in the Changhua Taipei office and the Taichung office.

(2) Greenhouse Gas Assurance Information

The parent company, on an individual basis, must begin assurance by 2028 .

Subsidiaries included in the consolidated financial statements must begin assurance by 2029 .

The assurance status for the greenhouse gas inventories of the company and certain subsidiaries included in the consolidated financial statements over the past two years is described as follows:

Scope of Assurance		2023 Total emissions (CO2e in tonnage)	2024 Total emissions (CO2e in tonnage)
Parent company	Scope 1: Direct GHG emissions	5222.67	506.4351
	Scope 2: Indirect GHG emissions	1,606.12	1,491.0265
	Total	2,128.79	1,997.4616
	The percentage of the inventory data disclosed in Section 1-1-1 covered by the assurance.	100.00%	42.47%
All Subsidiaries Included in the Consolidated Financial Statements	Scope 1: Direct GHG emissions	The inventory has not yet been conducted.	1,084.5558
	Scope 2: Indirect GHG emissions	The inventory has not yet been conducted.	1,621.6193
	Total	The inventory has not yet been conducted.	2,706.1751
	The percentage of the inventory data disclosed in Section 1-1-1 covered by the assurance.	The inventory has not yet been conducted.	57.53%
Verifying/Validating institution		Auray Technology Corp.	AFAQ-AFNOR GROUP
Description of verification/validation status		The company conducted verification with reasonable assurance by the ISO 14064-1:2018 standard.	The company conducted verification with reasonable assurance by the ISO 14064-1:2018 standard.
Assurance Opinion/Conclusion		An unqualified opinion was issued	An unqualified opinion was issued

Note 1: In accordance with the schedule stipulated in Paragraph 2, Article 10 of these Regulations, if the company is unable to obtain a complete greenhouse gas

assurance opinion by the date of the annual report printing, it shall indicate that "The complete assurance information will be disclosed in the sustainability report." If the company does not prepare a sustainability report, it shall indicate that "The complete assurance information will be disclosed on the Market Observation Post System (MOPS)" and shall disclose the complete assurance information in the following year's annual report.

Note 2: The assurance provider must comply with the relevant requirements for sustainability report assurance institutions as stipulated by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

Note 3: For disclosure content, please refer to the best practice reference examples available on the Corporate Governance Center website of the Taiwan Stock Exchange.

(3) Greenhouse gas reduction targets, strategies and specific action plans

Baseline Year and Reduction Targets for Greenhouse Gas Emissions

To develop a greenhouse gas reduction strategy, the consolidated group completed its greenhouse gas inventory in 2024 using the consolidated financial statements as the organizational boundary. Therefore, the baseline year is set as 2024. The Scope 1 and Scope 2 emissions were 1,590.9909 metric tons of CO₂e and 3,112.6458 metric tons of CO₂e, respectively. The company aims to further implement the "2050 Net Zero Emissions" goal through the following specific actions:

- (1) Establishing standards for new factories and new equipment to address climate change and reduce greenhouse gas emissions;
- (2) Optimizing manufacturing processes to reduce air pollution;
- (3) Identifying high carbon emission hotspots and formulating carbon reduction plans.

The company is also developing key climate performance indicators related to green energy, water, and electricity conservation, and product design.

Dyaco has obtained the ISO 14064-1 Greenhouse Gas Inventory Statement for its Taiwan operations and will conduct annual reviews to track progress toward greenhouse gas reduction goals, with the ultimate objective of achieving net-zero emissions by 2050.

The Company reduced its CO₂ emissions due to solar power generation by a total of 1,204,521kg in 2024, reaching its short-term target.

Range	Period	Coverage Area	Reduction of CO ₂ emissions
Short term	2020-2026	Factory 1, 2, 5 in Changhua Taipei office and the Taichung office	Average annual decrease of 800,000kg
Medium term	2027-2031		Average annual decrease of 900,000kg
Long term	2031-		Average annual decrease of 950,000kg

Note 1: The process shall be conducted in accordance with the timeline stipulated by the order issued under Paragraph 2, Article 10 of these Regulations.

Note 2: The base year should be the year in which the greenhouse gas inventory is

completed using the consolidated financial report boundary. For example, under the order issued pursuant to Paragraph 2, Article 10 of these Regulations, companies with paid-in capital of NT\$10 billion or more must complete the inventory for the year 2024 (113th year of the Republic of China calendar) by 2025 (114th year), making 2024 the base year. If the company completes the inventory earlier, it may designate the earlier year as the base year. The base year data may be calculated using a single year or an average of multiple years.

Note 3: For disclosure content, please refer to the best practice reference examples available on the Corporate Governance Center website of the Taiwan Stock Exchange.

2.3.8 The Company's Performance of Ethical Management and the Measures

Assessment Item	Implementation Status			Discrepancy with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and reasons
	Yes	No	Summary	
<p>1. Establishment of policy and program for ethical corporate management</p> <p>(1). Whether the company has the policy and methods of ethical corporate management approved by the Board of Directors in its charter and outbound documents and whether the Board of Directors and management have fulfilled the commitment to the policy of ethical corporate management?</p>	V		<p>1. The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" to state its policy of business with integrity. The recent board meeting approval dates were August 12, 2019 and March 9, 2022.</p> <p>2. The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act and other relevant laws and regulations, and the relevant internal regulations and internal control system shall be jointly followed by employees.</p> <p>3. The Company has stipulated in the rules of procedure of the Board meeting that directors shall recuse themselves from any matters in which they have an interest.</p>	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
<p>(2). Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates the business activities with a higher risk of unethical conduct within the business scope; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" ?</p>	V		<p>1. The Company has stepped up its efforts to educate its purchasing staff to consult and compare prices with multiple suppliers when making purchases and adjusts the contents of purchasing staff' s work from time to time as necessary.</p> <p>2. To prevent unethical conduct such as improper donations, sponsorships, illegal political contributions, etc., the Company has established the "Corporate Governance Best-Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" for the handling of major donations, which shall be submitted to the Board of Directors for approval.</p>	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
<p>(3). Whether the company has established and implements the operating procedures, behavior guidelines, consequences of violation and complaint system to prevent unethical conduct, and periodically reviews and revises such policies?</p>	V		<p>1. The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" to prevent unethical conduct.</p> <p>2. The Company has set up a section for stakeholders on the Company website (www.dyaco.com), where complaints about any unethical conduct can be filed, and the reception unit will immediately investigate and take disciplinary action in accordance with the Company' s "Personnel Regulations" and other relevant regulations.</p> <p>3. No complaints about unethical conduct in 2024.</p>	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
<p>2. Ethical Management Practice</p> <p>(1). Whether the company has evaluated the ethical records of business partners and include business conduct and ethics related clauses in the contracts?</p>	V		<p>The Company' s business activities are based on the principles of honesty, transparency and accountability. Accordingly, the Company' s "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management" state that agents, customers, suppliers or other business partners shall jointly observe the policy of ethical management.</p>	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"

Assessment Item	Implementation Status			Discrepancy with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and reasons
	Yes	No	Summary	
(2). Whether the company has set up a unit under the Board of Directors which is dedicated to promoting the company' ethical standards and regularly (at least once a year) report directly to the Board of Directors on its ethical corporate management policy and relevant matters, program to prevent unethical conduct, supervision and implementation?	V		<ol style="list-style-type: none"> The Company has designated the Management Department as a dedicated unit under the Board of Directors, which established the "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management," and regularly reports to the Board of Directors on the implementation of the principles, urges the Company to prevent unethical acts, and reviews the effectiveness of its implementation and continuous improvement from time to time to ensure the performance of the ethical management policy. The report on 2024 promotion of ethical management was reported to the Board of Directors on December 30, 2024. The Company has implemented the policy of ethical management, with a summary of the implementation status in fiscal 2024 as follows: <ol style="list-style-type: none"> The 2024 educational training related to ethical management practices includes various regulatory advocacy (see Note 1) for a total of 1,631 hours. The Company has a complaint and reporting system according to the "Corporate Governance Best-Practice Principles", the "Ethical Corporate Management Best Practice Principles", and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management", and a protection mechanism for whistleblowers, with 0 external whistleblowing case and 0 internal whistleblowing case in 2024. To fully demonstrate our company's commitment to integrity in business operations, in the fiscal year 2023, we voluntarily prepared a Corporate Sustainability Report in both Chinese and English according to the GRI guidelines (core principles) and obtained SGS AA1000 Type 1 Assurance (Moderate Assurance). The aforementioned report was uploaded to the Market Observation Post System (MOPS) on July 15, 2024. 	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
(3). Whether the company has established policies to prevent conflict of interests and provided, as well as faithfully executed, proper channels for complaints?	V		<ol style="list-style-type: none"> The Company has set up a section for stakeholders on the Company website (www.dyaco.com), where stakeholders may contact the Company' s dedicated unit in a timely manner through various channels. The Company has the rules of procedure of the Board meeting, under which a director or a juristic person he/she represents who has an interest in the agenda items at the meeting shall state their interest at the Board meeting, and shall not join the discussion and voting, nor shall they exercise their voting rights on behalf of other directors. In addition, directors are required to recuse themselves from the meeting in which they have an interest in order to avoid conflicts of interest. 	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
(4). To implement relevant policies on ethical corporate management, does the company establish effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and ethical conduct program audited by internal auditors or CPAs periodically?	V		<ol style="list-style-type: none"> The Company has an accounting system and a dedicated accounting unit, and financial reports are audited or reviewed by CPAs to ensure the fairness of the financial statements. The Company establishes an internal audit system and a self-assessment system to maintain an effective and appropriate internal control system. 	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
(5). Whether the company regularly provides internal or external education and training on ethical corporate management?	V		<ol style="list-style-type: none"> The Company designated the Management Department as a dedicated unit to promote the concept of ethical management from time to time and disclosed this policy on the Company website at www.dyaco.com. The 2024 educational training regarding ethical business practices includes various regulatory advocacy for a total of 1,631 hours. 	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
3. Status of the company' s reporting system (1). Whether the company has formulated concrete reporting and rewarding system, as well as convenient reporting channels, and designated specific person handling the reporting?	V		<ol style="list-style-type: none"> The Company provides a channel for employees to make suggestions, strengthen labor-management relations, and set up labor-management meetings through which employees can obtain fair and reasonable handling of their grievances. If an employee files a complaint orally or in writing, the head of the department shall immediately identify the matter for processing or report it for processing and inform the complainant of the result or the status of processing, with the processing conducted in accordance with the principle of confidentiality and protection of the whistleblower. A section for stakeholders is disclosed on the Company website, stating that stakeholders may contact the Company' s dedicated unit in a timely manner through various channels (www.dyaco.com). 	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"

Assessment Item	Implementation Status			Discrepancy with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and reasons
	Yes	No	Summary	
(2). Whether the company has established standard operating procedures for investigating complaints received, follow-up procedures and related confidentiality mechanism?	V		<p>1. The Company provides a channel for employees to make suggestions, strengthen labor-management relations, and set up labor-management meetings through which employees can obtain fair and reasonable handling of their grievances.</p> <p>2. A section for stakeholders is disclosed on the Company website, stating that stakeholders may contact the Company' s dedicated unit in a timely manner through various channels (www.dyaco.com).</p> <p>3. If an employee files a complaint orally or in writing, the head of the department shall immediately identify the matter for processing or report it for processing and inform the complainant of the result or the status of processing, with the processing conducted in a confidential manner to protect the whistleblower under the Company' s "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management."</p>	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
(3). Whether the company adopted measures to prevent a complainant from improper treatment?	V		In the Company's "Ethical Corporate Management Best Practice Principles" and the "Operating Procedures and Conduct Guidelines for Ethical Corporate Management," it is stated that the Company shall protect the privacy and other personal interests of the parties concerned during the investigation of the complaint cases, the personnel involved in the investigation and deliberation shall be responsible for the confidentiality of the complaint, and violators shall be punished in accordance with the provisions of the Company's "Personnel Regulations."	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
4. Intensifying information disclosure Whether the company discloses its "Ethical Corporate Management Best Practices Principles" as well as information about implementation of such guidelines on its website and Market Observation Post System (MOPS)?	V		The Company discloses information on the implementation of the "Ethical Corporate Management Best Practice Principles" on the Market Observation Post System and the Company website at www.dyaco.com.	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
5. If the company has established ethical corporate management principles according to "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Company," specify any discrepancy between the policies and their implementation: The Company has established the "Ethical Corporate Management Best Practice Principles" to perform good business practices and fulfill its social responsibility, with no material differences between the implementation and the principles.				
6. Other important information to facilitate better understanding of the company' s ethical corporate management (e.g., review and revision to the company' s ethical corporate management): The Company upholds ethical corporate management and takes into account the needs of its stakeholders to ensure business sustainability.				

Note 1: The 2024 educational training regarding ethical business practices

Course	Number of People	Hours
ISO 14064-1 Greenhouse Gas Inventory – Initial Meeting Categories 1~4 and Materiality Assessment	21	273
Migrant Workers' Rights Advocacy	106	106
Latest ESG and Financial Reporting Self-Created Policies and Internal Control Management Practical Courses	1	6
Sexual Harassment Prevention Education and Training	567	567
Sustainable Finance and Net-Zero Innovation Forward-Looking Forum	2	14
Advocacy on Social Responsibility, Anti-Terrorism, Anti-Bribery, Information, and Personal Data Protection Regulations	548	548
2024 Internal Insider Stock Trading Legal Compliance Advocacy Session	3	9
Analysis of Laws and Regulations Related to "Annual Reports/Sustainability Information/Financial Reporting" and Practical Internal Control Management	1	6
IFRS 9 Equity Valuation and Intangible Asset Valuation	1	3
Pre-Training for New Audit Personnel	1	18
2024 Insider Trading Prevention Advocacy Session	3	9
Business Advocacy for Listed Companies	2	6
In-Service Continuing Education for Accounting Supervisors	2	24
Board of Directors and Functional Committees (Audit, Compensation) Regulatory Analysis and Audit Key Points	1	6
Gender Equality Trends – Amendments to the Stalking Law and the Three Gender Equality Laws	1	2

Course	Number of People	Hours
2024 Labor Relations Legal Compliance Advocacy for Business Units	1	7
2024 Third-Quarter Labor Standards Law Advocacy and Case Explanation Session	2	24
2024 Sustainable Development Committee and Sustainability Executive Roundtable	1	3

2.3.9 Other Important Information to Facilitate Better Understanding of the Company's Corporate Governance Practices

1. The composition, duties and operations of the Corporate Sustainability Committee

- (1) The Board of Directors approved the Corporate Sustainability Committee charter on August 11, 2021 for the Committee to follow.
- (2) In accordance with the Company's Corporate Sustainability Committee chart, the Corporate Sustainability Committee consists of three independent directors with the chairman of the Board as the chairman of the Committee and the independent director Wu, Jiin -Po as the deputy chairman.
- (3) Term: From May 26, 2023 to May 25, 2026.
- (4) The duties of the Corporate Sustainability Committee:
 - A. Development of the Company's sustainable development policies.
 - B. Establishment of sustainable development of the Company, including sustainable governance, ethical management, environmental and social objectives, strategy and implementation plan development.
 - C. Regularly evaluate, follow up on, and amend the Company's sustainable development implementation, and report to the Board of Directors on a regular basis.
 - D. Address the concerns of various stakeholders, including shareholders, customers, suppliers, employees, governments, non-profit organizations, communities, and the media, and oversee communication plans.
 - E. Review of reports.
 - F. Any other matters assigned by the Board of Directors.
- (5) Three Corporate Sustainability Committee meeting was convened in 2024 (A). The members' qualifications, specialty and attendance status are as follows.

Title	Name	Specialty	Title	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) 【 B/A 】	Note
Chairman	Chuan-Feng Investment Corporation Representative: Lin, Yu-Yin	Corporate Governance	Chairman	2	-	100%	Replacement on November 10, 2023.
Deputy Chairman	Wu, Jiin-Po	Legal	Independent Director	2	-	100%	Appointed on May 26, 2023.
Member	Wang, Chih-Cheng	Finance	Independent Director	2	-	100%	Appointed on May 26, 2023.
Member	Wang, Kai-Li	Accounting	Independent Director	2	-	100%	Appointed on May 26, 2023.
Member	Tu, Chi-Yao	Information Management	Independent Director	2	-	100%	Appointed on May 26, 2023.

(6) In the event of either of the following situations, dates, sessions, motions, resolutions of the meetings, and the Company' s responses to the Corporate Sustainability Committee' s opinions should be noted:

Corporate Sustainability Meeting Date	Resolution
The 2 nd meeting of the 3 rd Corporate Sustainability Committee on May 13, 2024	The planned scope of greenhouse gas inventory implementation in 2024 will include subsidiaries.
	Resolution of the Corporate Sustainability Committee: All Corporate Sustainability Committee members present at the meeting approved.
	The Company' s responses to the Corporate Sustainability Committee' s opinions: The Company implemented in accordance with the resolution.
The 2 nd meeting of the 3 rd Corporate Sustainability Committee on December 27, 2023	(1). 2023 Sustainable development report.
	(2). Report on the results of the 2024 sustainability materiality.
	(3). Report on Climate-related Risks and Opportunities (TCFD) 2024.
	Resolution of the Corporate Sustainability Committee: All Corporate Sustainability Committee members present at the meeting approved.
	The Company' s responses to the Corporate Sustainability Committee' s opinions: The Company implemented in accordance with the resolution.

(7) The Company conducted an evaluation of the Company's functional committee at the end of the year and the Corporate Sustainability Committee members were assessed on the following four aspects:

- Involvement in the Company' s operations.
- Awareness of the Corporate Sustainability Committee' s duties.
- Enhancement of the quality of the Corporate Sustainability Committee' s decision-making.
- Makeup of the Corporate Sustainability Committee and election of members.

The weighted average score for the 2023 overall performance of the directors was 4.8 out of 5 and was reported to the Board at its first quarter meeting in 2024.

(8) Other required notes for the meetings: None.

2. The corporate governance director' s duties, business execution highlights and continuing education

On March 8, 2019, the Board of Directors of the Company appointed the vice president of finance Chiu Yuan-Sheng, who had more than three years of experience in the position of finance director in a public company, as the corporate governance director. The main duties of which are furnishing information required for business execution by directors, assisting directors' compliance of law by providing the latest regulations related to the operation of the Company, and reporting to the Board of Directors at the end of each year regarding the effectiveness of operations.

(1) The 2024 business promotion was as follows and reported to the Board of Directors on December 30, 2024:

Year Activity	2024 Implementation Status
Regularly informed the Board members of the latest regulations related to the Company's industry and corporate governance.	The regulations of Corporate Governance 3.0 and preparation of financial statements by the Company were promoted.
Offered inhouse training courses for the Board members.	Held 60 hours of the director training courses during 2024.

Year Activity	2024 Implementation Status
Evaluated the purchase of directors liability insurance.	The renewal of insurance was completed on September 15, 2024 and reported to the Board on November 12, 2024.
The agenda of the Board meeting followed the procedure of the Board meeting.	Held 2024 Board meetings.
The agenda of the shareholder meeting followed the procedure of the shareholder meeting.	Held 2024 shareholder meeting.
Stakeholder communication report.	Stakeholder communication report was reported to the Board on December 30, 2024.
Planned and implemented annual corporate governance evaluation.	Top 6%~20% of listed companies for 2023 corporate governance evaluation.

(2) The corporate governance training courses for corporate governance director in 2024:

Date		Host by	Course	Duration	Total Hours in 2024
From	To				
2024.05.16	2024.05.16	Taiwan Stock Exchange	Create a new carbon era publicity conference with sustainable knowledge	6	24.0
2024.05.2	2024.05.3	SECURITIES & FUTURES INSTITUTE	Sustainability Disclosure Implementation Workshop	9	
2024.07.3	2024.07.3	Taiwan Corporate Governance Association	2024 Cathay sustainable finance and climate change summit	6	
2024.10.25	2024.10.25	Taiwan Stock Exchange	Legal Compliance of Insider Equity Trading Advocacy Conference 2024	3	

3. The Company's Material Information Disclosure Procedure

The Company has enacted the "Insider Trading Prevention and Control and Procedures for Handling Material Information " which clearly specifies material information disclosure procedures, insider trading management processes, and a requirement for strict compliance with all relevant rules and regulations of the TWSE/TPEX, in order to prohibit insider trading, any improper information disclosure, and to ensure accurate and timely disclosures. Below are key content categories:

- (1) Target audience and scope of material information.
- (2) Corporate confidentiality procedure.
- (3) Designated responsible unit.
- (4) The Company's material information disclosure procedure.
- (5) Training Status on Insider Trading Prevention for the Year 2024:

A. Internal Training and Advocacy

In 2024, internal personnel were informed about insider trading prevention via email. The key dates and subjects of the advocacy are as follows :

Advocacy Date	Advocacy Subject
2024.1.10	Important Notice: Insider Trading Prevention - Stock Trading Blackout Period before Financial Report Release, from 2024/02/11 to 2024/03/12 (Pre-announcement of Q4 Financial Report Release Date)
2024.1.16	Common Patterns of Violation of Securities Trading Law regarding Insider Shareholding Changes, to be forwarded to internal personnel
2024.4.29	Important Notice: Insider Trading Prevention - Stock Trading Blackout Period before Financial Report Release, from 2024/04/28 to 2024/05/13 (Pre-announcement of Q1 Financial Report Release Date)

Advocacy Date	Advocacy Subject
2024.8.13	Important Notice: Insider Trading Prevention - Stock Trading Blackout Period before Financial Report Release, from 2024/07/29 to 2024/08/13 (Pre-announcement of Q2 Financial Report Release Date)
2024.7.21	Common Patterns of Violation of Securities Trading Law regarding Insider Shareholding Changes, to be forwarded to internal personnel
2024.10.11	Important Notice: Insider Trading Prevention - Stock Trading Blackout Period before Financial Report Release, from 2024/10/28 to 2024/11/12 (Pre-announcement of Q3 Financial Report Release Date)

B. External Training

Training Course Name	Training Organization	Training Organization	Training Date	Duration (Hours)	Number of Trainees
Discussion on Key Issues of Insider Trading and Market Manipulation	Chinese Corporate Governance Association	Board Members	2024.08.08	3	1
2024 Insider Stock Trading Legal Compliance Advocacy Session	Securities and Futures Markets Development Foundation	Board Members	2024.10.26	3	1
2024 Insider Stock Trading Legal Compliance Advocacy Session	Securities and Futures Markets Development Foundation	Corporate Governance Supervisors	2024.10.26	3	1
2024 Insider Stock Trading Legal Compliance Advocacy Session	Securities and Futures Markets Development Foundation	Audit Supervisors	2024.10.26	3	1
2024 Insider Stock Trading Legal Compliance Advocacy Session	Securities and Futures Markets Development Foundation	Finance Department Colleagues	2024.11.15	3	1

4. In fiscal year 2023, the Company's Corporate Governance Officer undertook 24 hours of corporate governance related courses and training.

2.3.10 Implementation of Internal Control System

1. Internal Control System Statement

Dyaco International Inc.
Internal Control System Statement

Date: March 12, 2025

In 2024, the Company conducted an internal audit of its internal control system and hereby declares the following:

The Company acknowledges and understands that the establishment, enforcement, and maintenance of the internal control system are the responsibility of the Board of Directors and management, and that the Company has already established such a system. The purpose is to provide reasonable assurance to the effectiveness and efficiency of business operations (including profitability, performance, and security of assets), reliability of financial reporting and compliance with relevant regulatory requirements.

There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. Moreover, the operating environment and situation may change, impacting the effectiveness of the internal control system. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.

The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The criteria introduced by the "Governing Regulations" cover the process of management control and consist of five major elements, each representing a different stage of internal control: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities. Each of the elements in turn contains certain audit items. Please refer to "Governing Regulations" for details.

The Company has adopted the aforementioned measures for an examination of the effectiveness of the design and implementation of the internal control system.

Based on the findings of the aforementioned examination, the Company believes it can reasonably assure that the design and implementation of its internal control system as of December 31, 2023 (including supervision and management of subsidiaries), including the effectiveness and efficiency in operation, reliability in financial reporting and compliance with relevant regulatory requirements, have achieved the aforementioned objectives.

This declaration constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. If any fraudulent information, concealment or unlawful practices are discovered in the content of the aforementioned information, the Company shall be held liable under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

This statement was passed by the Board of Directors on March 12, 2025, with none of the seven attending Directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Dyaco International Inc.

Chairman: Lin, Ing-Gin

General manager: Chen, Ming-Nan

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

2.3.11 Material resolutions of shareholders meeting or Board of Directors meeting during the most recent year or during the current year up to the date of publication of the annual report:

1. Important resolutions of the 2014 shareholders' meeting and their implementation :

- (1) Business report and financial statements for the year 2013.

Implementation status: The 2013 financial statements were audited and signed by Mr. Hsieh, Chien-Hsin and Ms. Liao, Wan-I of Deloitte & Touche Taiwan, and were audited by the Audit Committee together with the business report. It has been approved by the shareholders' meeting.

- (2) Loss compensation plan for the 2013 fiscal year.

Implementation status: The company suffered a loss in 2013, so no employee remuneration or director remuneration is planned to be distributed. The proposal was submitted and approved by the Board of Directors on March 12, 2014. It has been approved by the shareholders' meeting.

- (3) Proposal to amend the Company' s Articles of Incorporation.

Implementation status: In order to meet the needs of the company's operation and management, some articles of the "Articles of Association" have been amended and passed by vote.

- (4) Capital reserve conversion to increase capital and issue new shares.

Implementation status: NT\$75,323,380 was appropriated from the capital reserve of the premium received from the issuance of shares in excess of the par value to carry out capital increase and issue 7,532,338 new shares (NT\$0.50 per share), with a par value of NT\$10 per share, which was approved by the shareholders' meeting.

2. Important resolutions of the Board of Directors :

Date and Period	Important resolutions	Resolution results
The 4th meeting of the 12th Board of Directors on March 12, 2014	(1) Reclassification of accounts receivable from related parties to other receivables and recognition as a loan of funds.	Approved by all directors present
	(2) Assessment of whether the Company' s current quarter accounts receivable and related items (from non-related parties) have the nature of a loan of funds.	Approved by all directors present
	(3) Financial statements and business report for the year 2023.	Approved by all directors present
	(4) Internal control system statement for the year 2023.	Approved by all directors present
	(5) Distribution of dividends for the year 2023.	Approved by all directors present
	(6) Capital reserve transferred to new share issuance.	Approved by all directors present
	(7) Amendment of the Articles of Incorporation.	Approved by all directors present
The 5th meeting of the 12th Board of Directors on May 13, 2014	(1) Reclassification of accounts receivable from related parties to other receivables and recognition as a loan of funds.	Approved by all directors present
	(2) Consolidated financial statements for Q1 2024.	Approved by all directors present
	(3) Application for bank financing credit lines.	Approved by all

Date and Period	Important resolutions	Resolution results
		directors present
	(4) Subsidiary Fuel Spirit' s loan of funds to the parent company Dyaco International.	Approved by all directors present
	(5) Scope of GHG (Greenhouse Gas) inventory implementation for 2024.	Approved by all directors present
The 6th meeting of the 12th Board of Directors on June 4, 2014	(1) Change of signing CPA and accounting firm.	Approved by all directors present
	(2) Acquisition of land and plant from IUVO INDUSTRY Co., Ltd.	Approved by all directors present
	(3) Capital reduction of subsidiary Dyaco International Holding Inc.	Approved by all directors present
	(4) Company loan of funds to subsidiary IUVO INDUSTRY Co., Ltd.	Approved by all directors present
	(5) Company loan of funds to subsidiary Wing Long Co., Ltd..	Approved by all directors present
	(6) 2023 Sustainability Report.	Approved by all directors present
The 7th Meeting of the 12th Board of Directors on August 13, 2014	(1) Reclassification of accounts receivable from related parties to other receivables and recognition as a loan of funds.	Approved by all directors present
	(2) Consolidated financial statements for Q2 2024.	Approved by all directors present
	(3) Application for bank financing credit lines.	Approved by all directors present
	(4) Provision for loss on financial assets measured at fair value through profit or loss.	Approved by all directors present
The 8th Meeting of the 12th Board of Directors on November 12, 2014	(1) Reclassification of accounts receivable from related parties to other receivables and recognition as a loan of funds.	Approved by all directors present
	(2) Establishment of a subsidiary in Thailand.	Approved by all directors present
	(3) Consolidated financial statements for Q3 2023.	Approved by all directors present
	(4) Application for bank financing credit lines.	Approved by all directors present
	(5) Capital increase through issuance of common shares.	Approved by all directors present
	(6) Issuance of the Company' s 4th domestic unsecured convertible corporate bonds.	Approved by all directors present
The 9th meeting of the 12th Board of Directors on December 30, 2014	(1) Endorsement/guarantee limit provided by subsidiary President Plastic Products MFG. Co., Ltd. for the Company.	Approved by all directors present
	(2) Endorsement/guarantee provided to subsidiary IUVO INDUSTRY Co., Ltd.	Approved by all directors present
	(3) Application for bank financing credit lines by the Company.	Approved by all directors present
	(4) 2024 CPA independence evaluation.	Approved by all directors present
	(5) Investment project for factory establishment in Thailand.	Approved by all directors present

2.3.12 Directors or supervisors have expressed opposition or qualified opinions that have been noted in the record or declared in writing in connection with the important resolutions passed by the Board of Directors during the most recent year or during the current year up to the date of publication of the annual report: None.

2.3.13 If any penalties are imposed on the Company and its personnel or punishments are imposed by the Company on personnel in violation of internal control system regulations during the most recent year or during the current year up to the date of publication of the annual report, specify the contents of the penalty, major deficiencies and improvement: None.

2.3.14 During the most recent year or during the current year up to the date of publication of the annual report, the Company's chairman, general manager, accounting director, financial director, chief internal auditor, corporate governance director and R&D director had resigned or been dismissed:

Title	Name	On Board Date	Dismissal date	Reason for resignation or dismissal
Chief Audit Officer	Liu, Yuli	2015/3/25	2024/3/12	Job adjustment

2.4. CPA's Fee Information

Unit: NT\$1,000

Accounting Firm	Name	Period	audit fees	non-audit fees	Total
Deloitte & Touche	Mr. Hsieh, Chien-Hsin	2024/1/1~ 2024/3/31	1,151	150	1,310
	Ms. Liao, Wan-I				
KPMG	Mr. Chen, Chung-Che	2024/3/1~ 2024/12/31	5,367	480	5,847
	Ms. Tsou, Yi-Yun				

Note: The non-audit public fees for this year relate to services provided by the accounting firm, including the review of non-management employee salary information, capital surplus conversion to capital stock, explanation of significant discrepancies in financial and tax filings, and transfer pricing report services.

2.4.1 The Company changes the CPA firm and the audit fee paid in the year of change of firm is less than that in the year before the change of firm: None.

2.4.2 The audit fee is reduced by over 10% from the previous year: None.

2.5. Information on Replacement of CPA

2.5.1 About the former CPA

Date of Change	Approved by the Board of Directors on June 4, 2024		
Reason for change and explanation	In response to the Group's long-term strategic development and internal management requirements, the Company has resolved to change its accounting firm and signing certified public accountant..		
State whether the Appointment is Terminated or Rejected by the Appointor or CPAs	Status	Accountant	Appointor
	The Parties		
	Appointment terminated	N/A	V

	automatically		
	Appointment rejected (discontinued)	N/A	N/A
Reasons for issuing audit reports other than unqualified opinion in the last two years	N/A		
Is there any disagreement in opinion with the issuer	Yes	-	Accounting principle or practice
		-	Disclosure of financial statements
		-	Auditing scope or procedures
		-	Other
	No	V	
	Description:None		
Supplementary Disclosure	None		

2.5.2 About the successor CPA

Accounting firm name:	KPMG Taiwan
Name of CPA	Mr. Chen, Chung-Che and Ms. Tsou, Yi-Yun
Date of appointment	Approved by the Board of Directors on June 4, 2024
Prior to the appointment, any inquiry or consultation and results on the accounting treatment or accounting principles for specific transactions, and the type of audit opinion that might be rendered on the financial report	None
Written opinions from the successor CPAs that are different from the former CPA's opinions	None

2.5.3 The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards: Not applicable.

2.6. Where the Company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPA or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

2.7. Any transfer of equity interests or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

2.7.1 Change in equity interests of the Company's directors, supervisors, managerial officers, and ten-percent shareholders

Unit: Shares

Title	Name	2024		For the year ended March 31,2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	CHUAN-FENG INVESTMENT CORPORATION	-	-	437,894	(1,301,000)

Title	Name	2024		For the year ended March 31,2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Lin, Yu-Yin	-	-	172,416	-
Director	Yong-Heng Investment Corporation	-	800,000	341,052	(2,740,000)
Representative	Chiu Shih-Chien	-	-	50	-
Director	Zhuang, Zhu-Wei	159,1760	-	57,958	-
Independent Director	Wang, Kai-Li	-	-	-	-
Independent Director	Wang, Chih-Cheng	-	-	-	-
Independent Director	Wu, Jiin-Po	-	-	-	-
Independent Director	Tu, Chi-Yao	-	-	-	-
CEO	Hsu, Wen-Bin	-	-	515,465	-
COO	Tseng, Yu-Hsiang	-	-	21,650	-
CSO	PING-I Ting	-	-	133,914	-
General Manager	Chen, Ming-Nan	-	-	44,273	-
Executive V.P. and Chief Financial Officer	Wu, Mei-Hua	(65,000)	-	179,435	-
Senior V.P. Chief Accountant Officer and Chief of Corporate Governance	Chiu, Yuan-Sheng	(70,000)	-	105,664	-
Senior V.P.	Huang, Hsuan-Fu	-	-	21,138	-
Senior V.P.	Hsu, Li-Wen	-	-	15,898	-
Senior V.P.	Huang, Yu-Chih	-	-	15,095	-
Senior V.P.	Lo, Teng-I	-	-	12,646	-
Senior V.P.	Lin, Shih-Chieh	-	-	41,775	-
Senior V.P.	Chen, Son-Guo	-	-	20,300	-
CTO	Brian Keith Murray	-	-	2,512	-
V.P.	Lin,Wei-Hsu	-	-	23,018	-
V.P.	Li, Che-Jung	-	-	25,000	-
V.P.	Li, Mei-Yu	-	-	30,508	-
V.P.	Wu, Shu-Mei	-	-	11,393	-
V.P.	Ho, Chieh-Shun	(3,000)	-	(7,000)	-
V.P.	Li, Tai-Lan	-	-	2,371	-

2.7.2 Where the counterparty in any such transfer of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the Company as well as the Company's directors, supervisors, managerial officers, and ten-percent shareholders, and the number of shares transferred:

Name	Reason of Transfer	Transaction Date	Transferee	Relationship between Transferee and the Company, Directors, Supervisors and Shareholders with more than 10% shareholding	Shares	Transaction Price (NT\$)
Chen, Ming-Nan	Donation	2024.10.17	Chen Bo-Wei	Offspring	87,000	NA
Hsu, Li-Wen	Donation	2025.02.27	Cheng Jun-Yan	Offspring	60,000	NA

2.7.3 Where the counterparty in any such pledge of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the Company as well as the Company's directors, supervisors, managerial officers, and ten-percent shareholders, and the number of shares pledged: None.

2.8. Relationship information, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

March 31, 2025 / Unit: Share

Name	Shareholding		Spouse & Minor		Shareholding in the Name of Others		Relationship		Note Shares
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Lin, Ing-Gin	7,091,977	3.96%	-	-	34,933,184	19.50%	GUANG-YING LIMITED	Representative	-
							YONG-HENG INVESTMENT CORPORATION	President	
							CHIH-LING INVESTMENT CORPORATION	President	
							CHUAN-FENG INVESTMENT CORPORATION	Major shareholder	
GUANG-YING LIMITED Representative: Lin, Ing-Gin	11,184,958	6.24%	-	-	-	-	Lin, Ing-Gin	Representative	-
Dyaco International Inc.	4,826,000	2.69%	-	-	-	-	-	-	-
CHUAN-FENG INVESTMENT CORPORATION Representative: Yang, Yu-Tao	9,195,776	5.13%	-	-	-	-	Lin, Ing-Gin	Major shareholder	-
	3,622	-	-	-	-	-	-	-	-
HO, I-HSING INVESTMENT CORPORATION Representative: Yang, Hsiu-Yu	9,795,300	5.47%	-	-	-	-	-	-	-
	3,136,330	1.75%	-	-	-	-	-	-	-
YONG-HENG INVESTMENT CORPORATION Representative: Lin, Ing-Gin	7,162,109	4.0%	-	-	-	-	Lin, Ing-Gin	Major shareholder	-

Name	Shareholding		Spouse & Minor		Shareholding in the Name of Others		Relationship		Note Shares
	Shares	%	Shares	%	Shares	%	Name	Relationship	
CHIH-LING INVESTMENT CORPORATION Representative: Lin, Ing-Gin	7,390,341	4.13%	-	-	-	-	Lin, Ing-Gin	Major shareholder	-
Chanitex Co., Ltd.	2,988,066	1.67%	-	-	-	-	-	-	-
Yang, Hsiu-Yu	3,136,330	1.75%	-	-	-	-	-	-	-
JuiLi Enterprise Co., Ltd.	2,730,000	1.52%	-	-	-	-	-	-	-

2.9. Long-Term Investment Ownership

December 31, 2024 / Unit: 1,000 Shares

Investee	Ownership by Dyaco		Direct/ Indirect Ownership by Directors, Supervisors and Management		Total Investment	
	Shares	%	Shares	%	Shares	%
Dyaco International Holding Limited	126,415	100%	-	-	126,415	100%
Fuel Spirit International Inc.	-	-	5,848	100%	5,848	100%
Dyaco Europe GmbH	-	100%	-	-	-	100%
CARDIO fitness GmbH & Co. KG	-	-	-	100%	-	100%
CARDIO fitness Verwaltungs GmbH	-	-	-	100%	-	100%
Dyaco UK Ltd.	3,137	99%	-	-	3,137	99%
Spirit Manufacturing Inc.	1,668	100%	-	-	1,668	100%
Spirit Direct, LLC	-	-	-	100%	-	100%
Sole Inc.	-	100%	-	-	-	100%
Fitness Equipment Service, LLC	-	-	-	100%	-	100%
Dyaco Canada Inc.	1,000	100%	-	-	1,000	100%
Neutron Ventures Ltd	-	-	308	100%	308	100%
Interactive Online Commerce Ltd	-	-	-	100%	-	100%
Neutron Ventures Poland S.p Z.o.o	-	-	-	100%	-	100%
Sweatband.com Ltd	-	-	-	100%	-	100%
CITY SPORT (THAILAND)CO.,LTD.	176,000	44%	-	-	176,000	44%
Dyaco Japan Co., Ltd.	201	100%	-	-	201	100%
Dyaco (Shanghai) Trading Co., Ltd.	-	-	-	100%	-	100%
Dyaco Health Technology (Beijing) Co., Ltd.	-	-	-	100%	-	100%
Shelton Corporation (Jiaxing), Ltd.	-	-	-	60%	-	60%
President Plastic Products MFG. Co., Ltd.	391	100%	-	-	391	100%
Wing Long Co., Ltd.	2,500	100%	-	-	2,500	100%
Cikayda Inc.	2,000	100%	-	-	2,000	100%
Daan Health Management Consulting Co., Ltd.	1,000	100%	-	-	1,000	100%
IUVO INDUSTRY CO.,Ltd	18,300	92%	-	-	183,000	92%

III. Capital Overview

3.1. Capital and Shares

3.1.1 Sources of Capital

March 31, 2025

Unit: 1,000 Shares; NT\$1,000

Y/M	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Source	Subscriptions paid with property other than cash	Other
2007.05	10	10,000	100,000	10,000	100,000	Cash capital 71,000,000	-	Note 1
2008.04	10	25,000	250,000	25,000	250,000	Cash capital 150,000,000	-	Note 2
2008.12	10	36,510	365,100	36,510	365,100	Cash capital 115,100,000	-	Note 3
2009.12	10	70,000	700,000	47,990	479,900	Capital reserves 15,800,000 Cash capital 99,000,000	-	Note 4
2011.04	20	70,000	700,000	49,490	494,900	Cash capital 15,000,000	-	Note 5
2011.06	40	70,000	700,000	51,000	510,000	Cash capital 15,100,000	-	Note 6
2011.08	10	100,000	1,000,000	64,770	647,700	Capital reserves 137,700,000	-	Note 7
2012.10	10	100,000	1,000,000	68,109	681,088	Capital reserves 33,388,000	-	Note 8
2015.03	33	100,000	1,000,000	78,109	781,088	Cash capital 100,000,000	-	Note 9
2015.09	10	100,000	1,000,000	82,014	820,142	Capital reserves 39,054,000	-	Note 10
2016.09	10	100,000	1,000,000	92,950	929,502	Cash capital 109,360,000	-	Note 11
2019.09	10	150,000	1,500,000	96,063	960,635	Capital reserves 31,133,000	-	Note 12
2019.11	10	150,000	1,500,000	96,100	961,009	Share capital of 374,000 converted from convertible corporate bonds	-	Note 13
2020.01	39	150,000	1,500,000	115,100	1,151,009	Cash capital 190,000,000	-	Note 14
2020.07	10	200,000	2,000,000	120,981	1,209,820	Share capital of 58,311,000 converted from convertible corporate bonds and 500,000 converted from employee stock option certificates	-	Note 15
2020.10	10	200,000	2,000,000	131,149	1,311,496	Share capital of 99,176,000 converted from convertible corporate bonds and 2,500,000 converted from employee stock option certificates	-	Note 16
2021.01	10	200,000	2,000,000	132,652	1,326,523	Share capital of 14,027,000 converted from convertible corporate bonds and 1,000,000 converted from employee stock option certificates	-	Note 17
2021.04	10	200,000	2,000,000	133,444	1,334,443	Share capital of 5,539,000 converted from convertible corporate bonds and 2,380,000 converted from employee stock option certificates	-	Note 18
2021.07	10	200,000	2,000,000	133,982	1,339,823	Share capital of 5,380,000 converted from employee stock option certificates	-	Note 19
2022.01	10	200,000	2,000,000	134,022	1,340,223	Share capital of 400,000 converted from employee stock option certificates	-	Note 20
2022.04	10	200,000	2,000,000	134,114	1,341,148	Share capital of 925,000 converted from employee stock option certificates	-	Note 21
2023.04	10	200,000	2,000,000	134,610	1,346,098	4,950,000 converted from employee stock option certificates	-	Note 22
2023.07	10	200,000	2,000,000	159,610	1,596,098	Cash capital 250,000,000	-	Note 23
2024.08	10	1,000,000	10,000,000	167,142	1,671,420	Capital reserve converted to capital increase in the amount of NT\$75,323 thousand.	-	Note 24
2025.03	10	1,000,000	10,000,000	179,142	1,791,421	Cash capital 120,000,000	-	Note 25

Note 1: Fu-Shang-Jian No. 09684564210 dated May 21, 2007

Note 3: Fu-Chan-Ye-Shang No. 09880098210 dated January 17, 2009

Note 5: Fu-Chan-Ye-Shang No. 10083293020 dated May 23, 2011

Note 7: Jing-Shou-Shang-Zi No. 10001175310 dated August 1, 2011

Note 9: Jing-Shou-Shang-Zi No. 10401038990 dated March 10, 2015

Note 11: Jing-Shou-Shang-Zi No. 10501249020 dated October 24, 2016

Note 13: Jing-Shou-Shang-Zi No. 10801154540 dated November 4, 2019

Note 2: Fu-Chan-Ye-Shang No. 09784102410 dated May 9, 2009

Note 4: Fu-Chan-Ye-Shang No. 09891466720 dated December 22, 2009

Note 6: Jing-Shou-Shang-Zi No. 10001159860 dated July 18, 2011

Note 8: Jing-Shou-Shang-Zi No. 10101205290 dated October 5, 2012

Note 10: Jing-Shou-Shang-Zi No. 10401183000 dated September 1, 2015

Note 12: Jing-Shou-Shang-Zi No. 10801121560 dated September 5, 2019

Note 14: Jing-Shou-Shang-Zi No. 10901011200 dated January 30, 2020

Note 15: Jing-Shou-Shang-Zi No. 10901124080 dated July 17, 2020
 Note 17: Jing-Shou-Shang-Zi No. 11001009390 dated January 21, 2021
 Note 19: Jing-Shou-Shang-Zi No. 11001122520 dated July 20, 2021
 Note 21: Jing-Shou-Shang-Zi No. 11101063620 dated April 18, 2022
 Note 23: Jing-Shou-Shang-Zi No. 111230120530 dated July 20, 2023
 Note 25: Jing-Shou-Shang-Zi No. 11430047240 dated April 16, 2025

Note 16: Jing-Shou-Shang-Zi No. 10901196870 dated October 20, 2020
 Note 18: Jing-Shou-Shang-Zi No. 11001066510 dated April 29, 2021
 Note 20: Jing-Shou-Shang-Zi No. 11101008790 dated January 18, 2022
 Note 22: Jing-Shou-Shang-Zi No. 11230065500 dated April 26, 2023
 Note 24: Jing-Shou-Shang-Zi No. 1130154970 dated August 27, 2024

March 31 2025; Unit: Shares

Share Type	Authorized Capital			Note
	Outstanding Shares	Unissued Shares	Total Shares	
Common Share	167,142,092	8332,857,908	1,000,000,000	-

3.1.2 List of Major Shareholders

March 31, 2025

Major Shareholders' Name	Shares	Shares	Percentage
Lin, Ing-Gin		7,091,997	3.96%
GUANG-YING LIMITED		11,184,958	6.24%
Dyaco International Inc. (Treasury Stock)		4,826,000	2.69%
CHUAN-FENG INVESTMENT CORPORATION		9,195,776	5.13%
HO, I-HSING INVESTMENT CORPORATION		9,795,300	5.47%
YONG-HENG INVESTMENT CORPORATION		7,162,109	4.00%
CHIH-LING INVESTMENT CORPORATION		7,390,341	4.13%
Chanitex Co., Ltd.		2,988,066	1.67%
Yang, Hsiu-Yu		3,136,330	1.75%
JUI LI ENTERPRISE CO.,LTD.		2,730,000	1.52%

3.1.3 Company's Dividend Policy and Implementation Thereof

1. Dividend policy as set out in the Articles of Incorporation:

In accordance with the Company's Articles of Incorporation, if there is any earnings in the Company's annual accounts, the Company shall first pay taxes and make up for accumulated deficits, and the next 10% shall be set aside as legal reserve, and special reserve shall be appropriated or reversed as required by law or by the competent authorities; if there is any earnings, the remaining balance, plus the accumulated undistributed earnings from previous years, shall be distributed by the Board of Directors upon a resolution of the shareholders' meeting.

The Company's dividend policy is to distribute dividends in accordance with the overall operating environment and the growth characteristics of the industry, taking into account factors such as undistributed earnings, capital reserves, financial structure and operating conditions, in order to stabilize business development and protect investors' interests. The Company shall distribute the earnings in an amount not less than 10% of the distributable earnings for the year; however, if the amount of distributable earnings is less than 1% of the paid-in capital, it may be transferred to retained earnings without distribution. Shareholder bonuses may be distributed in the form of cash or stock dividends, of which cash dividends are limited to not less than 10% of the current year's shareholder bonuses, except that stock dividends may be paid in full if the cash dividend is less than \$1 per share.

2. Distribution of dividends proposed for the year:

The company's 2014 profit distribution plan has been approved by the board of directors on March 12, 2015. The cash dividend to shareholders is NT\$87,158,000, with a cash dividend of NT\$0.5 per share. It is still awaiting approval by the 2015 shareholders' meeting.

3.1.4 Effect of any stock dividend distribution (to be adopted by the shareholders' meeting) upon business performance and earnings per share: None.

3.1.5 Compensation of employees, directors and supervisors

1. The percentages or ranges with respect to employee, director and supervisor compensation, as set forth in the company's articles of incorporation

In accordance with the current Articles of Incorporation, the Company shall distribute compensation to employees at a rate not less than 1% of the current year's earnings and to directors at a rate not more than 5% of the current year's earnings, but shall make up for any accumulated losses of the Company. The aforementioned earnings for the year represent the current year's pretax earnings before distributions of compensation to employees and directors. The distribution of compensation to employees and directors shall be made by a resolution of the Board of Directors with the approval of a majority of the presenting directors with at least two-thirds of the directors presenting and shall be reported to the shareholders' meeting. Employee compensation may be in the form of stock or cash and may be paid to employees of the Company who meet certain criteria.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure:

If the Board of Directors approves a change in the amount of employee, director and supervisor compensation, the difference shall be treated as a change in accounting estimates and recorded as profit or loss for the following year, without affecting the recognized financial statements.

3. The distribution of compensation as approved by the Board of Directors:

(1) The amount of compensation for employees and directors distributed in cash or stock : The board of directors approved the proposed distribution of cash remuneration to employees of RMB868,648, and proposed no distribution of directors' remuneration.

(2) The amount of compensation for employees distributed by shares as a percentage of net income after tax and total compensation for employees for the period:None

4. Report of the shareholders' meeting on the distribution of compensation and the results: The Company's 2024 earnings distribution proposal will be submitted to the shareholders' meeting on May 27, 2024.

5. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated: On March 23, 2024, The Company's pre-tax net loss for the year 2023. In accordance with the provisions of Article 24 of the Company's Articles of Association, no director remuneration will be distributed in the absence of profit, which was approved by the Board of Directors and submitted to

the 2023 shareholders' meeting in accordance with relevant regulations. If the actual distributed amount differs from the estimated amount, the difference is treated as a change in estimate.

3.1.6 Repurchase Shares Status:

1. The Company is compliance with Article 28-2 of the Securities and Exchange Act and Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies.
2. Status of repurchasing its own shares at a centralized securities exchange market

(1) Buyback of Treasury Stock (Completed)

Treasury stocks in batches	1 st Batch	2 nd Batch
Purpose of stock buyback	Transfer ownership of shares to employees	Transfer ownership of shares to employees
Period of stock buyback	2017/12/22~2018/02/21	2020/02/27~2020/03/20
Price range	NT\$40.45~NT\$44.80	NT\$30.15~NT\$36.97
Type and number of shares	Common Share/4,000,000 Shares	Common Share/3,000,000 Shares
Actual amount of buyback shares	NT\$172,339,773	NT\$ 104,927,035
Actual buyback shares as a percentage of scheduled buyback shares (%)	100%	100%
Shares canceled and transferred	4,000,000 Shares	3,000,000 Shares
Cumulative number of its own shares	4,826,000 Shares	4,826,000 Shares
Cumulative number of its own shares as a percentage of issued shares (%)	2.69%	2.69%
Treasury stocks in batches	3 rd Batch	4 th Batch
Purpose of stock buyback	Transfer ownership of shares to employees	Transfer ownership of shares to employees
Period of stock buyback	2020/03/20~2020/05/19	2021/09/30~2021/11/29
Price range	NT\$31.44~NT\$32.93	NT\$60.10~NT\$66.40
Type and number of shares	Common Share /1,565,000 Shares	Common Share/2,488,000 Shares
Actual amount of buyback shares	NT\$50,663,964	NT\$156,988,000
Actual buyback shares as a percentage of scheduled buyback shares (%)	34.78%	62.20%
Shares canceled and transferred	1,565,000 Shares	0 Shares
Cumulative number of its own shares	4,826,000 Shares	4,826,000 Shares
Cumulative number of its own shares as a percentage of issued shares (%)	2.69%	2.69%
Treasury stocks in batches	5 th Batch	
Purpose of stock buyback	Transfer ownership of shares to employees	
Period of stock buyback	2022/05/12~2022/07/11	
Price range	NT\$39.38~NT\$342.16	
Type and number of shares	Common Share /2,338,000 shares	
Actual amount of buyback shares	NT\$96,415,064	
Actual buyback shares as a percentage of scheduled buyback shares (%)	77.93%	
Shares canceled and transferred	0 Shares	
Cumulative number of its own shares	4,826,000 Shares	
Cumulative number of its own shares as a percentage of issued shares (%)	2.69%	

3.2. Status of corporate bonds

3.2.1 Status of corporate bonds

Unit: NT\$1,000

Type of Corporate Bond	4 th Domestic Unsecured Convertible Corporate Bonds	
Issue Date	2025.3.3	
Par Value	NT\$100,000	
Issue and Trading Place	Taipei Exchange	
Issue Price	Issued at face value	
Total Amount	NT\$200,000,000	
Interest Rate	0%	
Duration	3 years	
Assurance Institution	None	
Assignee	Chang Hwa Commercial Bank, Ltd	
Underwriting Institution	President Securities Corporation	
Singed Lawyer	Handsome Attorneys-at-Law Chiu, Ya-Wen	
Singed CPA	KPMG Taiwan/Mr. Chen, Chung-Che and Ms. Tsou, Yi-Yun	
Repayment	Except when the holder of this convertible corporate bond converts it into the Company's common shares in accordance with Article 10 of these Terms, exercise repurchase rights in accordance with Article 18 of these Terms, exercise early redemption rights in accordance with Article 17 of these Terms, or when the Company buys it back from the securities firm, the Company shall pay the par value in lump sum cash payment to the holder upon maturity.	
Outstanding Amount	NT\$200,000,000	
Redeption or Advanced Repayment	Please refer to Article 17 and Article 18 of the Company's terms of issuance and conversion of corporate bonds.	
Restrictive Clauses	N/A	
Credit Rating Institution, Credit Rating Date and The Rating	None	
Other Rights Attached	Amount of common shares converted as of the printing date of the annual report	None
	Issuance and conversion method	Please refer to the Company's terms of issuance and conversion of corporate bonds.
Shares Dilution & Influence on Stockholders' Equity	Convertible bonds do not have a dilutive effect on the Company's stock until the creditor requests to execute the conversion right. The creditor can choose a more favorable time point for conversion during the convertible period and therefore has a deferred effect on stock dilution. The conversion of convertible bonds into common stock will not only reduce liabilities, but increase shareholders' equity, which in turn will increase net worth per share, thus protecting existing shareholders' equity in the long run.	
Entrust Insitution of Exchange Object	N/A	

3.2.2 Information on convertible corporate bonds

Unit: NT\$

Type of Corporate Bonds		4 th Domestic Secured Convertible Corporate Bonds
Year		March 3, 2025 to March 31, 2025
Item		
Market price of the convertible corporate bonds	Highest	103.09
	Lowest	94.23
	Average	98.66
Conversion price		33.40
Issue date and conversion price at issuance		March 3, 2025: 33.60
Fulfilling the conversion obligation		Issuing new shares

3.3. Issuance of preferred shares: None.

3.4. Issuance of global depositary receipts (GDR): None.

3.5. Issuance of Employee Stock Warrants: None.

3.6. Issuance of New Restricted Employee Shares: None.

3.7. Issuance of Shares in Connection with a Merger or Acquisition or with Acquisition of Shares of Other Company: None.

3.8. Financing Plans and Implementation: As of the printing date of the annual report, the Company has no financing plan that has not been completed or the plan has been completed but the benefits have not been demonstrated.

IV. Business Overview

4.1. Business Activities

4.1.1 Business scope

1. Major business activities

2.

CA02990	Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
CC01040	Lighting Equipment Manufacturing
CC01080	Electronic Parts and Components Manufacturing
CC01990	Electrical Machinery, Supplies Manufacturing
CD01050	Bicycles and Parts Manufacturing
CF01011	Medical Materials and Equipment Manufacturing
CH01010	Sporting and Athletic Articles Manufacturing
CN01010	Furniture and Fixtures Manufacturing
F108031	Wholesale of Drugs, Medical Goods
F109070	Wholesale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
F205040	Retail sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures
F208031	Retail sale of Medical Equipments
F209060	Retail sale of Stationery Articles, Musical Instruments and Educational Entertainment Articles
F219010	Retail Sale of Electronic Materials
F401010	International Trade
J801030	Athletics and Recreational Sports Stadium
ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

3. Percentage of sales revenue

Unit: NT\$1,000;%

Item \ Year	2023		2024	
	Amount	%	Amount	%
Treadmill	4,074,597	52.33%	3,973,478	55.06%
Elliptical	1,098,438	14.11%	947,662	13.13%
Bike	819,542	10.52%	758,804	10.51%
Outdoor Furniture	568,128	7.30%	275,871	3.82%
Others	1,225,766	15.74%	1,261,262	17.48%
Total	7,786,471	100.00%	7,217,077	100.00%

4. Current goods and services

The Company's main products are electric treadmills, elliptical machines, exercise bikes and other fitness equipment, and E-Bikes development, manufacturing and sales, with new products planned to be developed including:

R&D Program	Areas of Application
Arc Trainer	The arc trainer is a home fitness equipment featuring low impact, adjustable resistance, multi-function display, quiet operation, and foldable storage. It includes heart rate monitoring, preset programs, and ergonomic pedals, suitable for various fitness goals like fat loss and cardio training. Its compact design and durable materials make it ideal for limited spaces, catering to users of all ages and fitness levels.
Hiker Trainer	SOLE H95 Hiker Trainer features a 12KG front-drive flywheel system designed for an intense, full-body workout. It provides 20 adjustable resistance levels and an incline range of 1 to 20 levels, simulating real hiking conditions for a challenging and immersive experience. The 13.3" touch panel console offers intuitive conditions for a challenging and immersive support SOLE+. Additionally, wireless charging adds convenience, making it the ultimate choice for modern fitness enthusiasts.
SB720 INDOOR CYCLE	Spirit SB720 is a new-gen high-performance indoor cycling machine that is self-powered and doesn't require wired connection. With its fully digitally adjusted magnetic resistance, Spirit Fitness now offers extremely accurate power readings for home use. Paired with built-in Bluetooth, athletes can fully enjoy the benefits of connected fitness with 3rd party apps such as Kinomap and Zwift
SB750 Incline Bike	SB750 Incline Bike delivers smooth, natural cycling with a 4.5 kg flywheel and 20 resistance levels. The 5 TFT LCD
Physiological Blood Oxygen Monitoring Ring	Console tracks workouts, while FTMS + CSCS Bluetooth ensures seamless connectivity. It offers an immersive, high-performance ride with an elevation range of -8% to 12.5% and paddle shifters for effortless incline adjustments.
Rehabilitation-Grade Physiological Monitoring EMS Trainer	This ring uses optical sensing technology to continuously monitor blood oxygen levels, heart rate, and sleep quality. IoT connectivity enables real-time data tracking and health trend analysis via a mobile app.
Rehabilitation-Grade Upper & Lower Limb Active-Passive Trainer	Integrating Electrical Muscle Stimulation (EMS) with IoT, this system customizes training programs based on physiological data, assisting individuals with mobility impairments in rehabilitation while recording progress.
E-Bike(CIKADA UNIVERSAL/URBAN)	All Cikada series e-bikes are compatible with the brand's exclusive app, which offers features such as ride data tracking, tire pressure monitoring, safety alerts, remote locking, and anti-theft alarms. These digital services enhance the smart riding experience and contribute to building a brand-specific ecosystem through the integration of intelligent technology. New product development focuses on diversifying the range of models to meet the needs of various rider groups. Future expansion will target specialized models such as cargo, gravel, fat tire, and performance bikes, further tapping into diverse application markets. Product design features recyclable aluminum alloy frames, with development moving toward lightweight carbon fiber and titanium materials. Paired with modular batteries and control systems, this approach not only extends product lifespan but also helps reduce environmental impact. At the same time, the company is strengthening its after-sales service system by integrating local repair networks through a digital platform, building a high-engagement user community.

R&D Program	Areas of Application
	Overall, the product design emphasizes minimalism, sustainability, and technology, aiming to create an intuitive and user-friendly smart e-bike riding experience

4.1.2 Industry overview

1. Fitness equipment

With economic development, modern people's lives have become more affluent and materialistic, leading to many problems, such as obesity and weakened immune systems. Additionally, the aging population has led to an increasing emphasis on health consciousness, and sports culture is prevalent in Europe and America. Sports and fitness activities have become an important part of modern life. Indoor sports and fitness equipment, which are not affected by weather and time restrictions, can provide users with opportunities to engage in fitness activities at home or fitness centers when they cannot engage in outdoor sports or fitness training. Therefore, fitness equipment plays an extremely important role in the sports and leisure industry.

Fitness equipment can be categorized into home and commercial-use markets based on their intended usage environment and design durability.

(1) The Home-Use Market

Fitness equipment designed for home use primarily targets the household fitness and healthcare market. As these types of equipment are typically intended for use by a fixed user, their product features often include small-sized, lightweight, simple functions, relatively lower product durability and pricing compared to the commercial market. They are primarily sold to end consumers through specialized sports equipment stores and large chain stores.

(2) The Commercial/Light-Commercial market

Commercial fitness equipment is mainly placed in places such as hotels, fitness centers, clubs, and medical rehabilitation centers for non-fixed users. Therefore, the equipment has a variety of functions, high product quality, and higher price and durability characteristics. The product's design also focuses more on appearance and aesthetics, and it is mainly provided to the above places through commercial sales channels. In addition, light-commercial fitness equipment is mostly used in small fitness rooms in communities and schools.

According to Research and Markets' "Global Fitness Equipment Market Report 2024," the global fitness equipment market is projected to reach \$15.9 billion, with a CAGR of 5.1% (2023-2028). Growth is driven by rising health awareness, digital fitness innovations, and shifting demand in home and commercial markets. However, inflation, economic uncertainty, and consumer spending pressures create variations in market performance

(1) Home Fitness Market: Stabilizing Demand

The home fitness market, which surged during the pandemic, has now stabilized. Allied Market Research estimates its 2024 value at \$8.7 billion, largely fueled by smart fitness equipment and digital content, such as connected treadmills, interactive cycling machines, and virtual fitness classes. While

demand in North America and Europe has matured, the Asia-Pacific region (particularly China and India) continues to see increasing penetration due to urbanization and middle-class expansion

(2) Commercial Fitness Market: Recovery in Gym and Hotel Investments

The commercial segment is expected to reach \$7.2 billion in 2024, driven by investment in gyms and hotel fitness facilities. Post-pandemic confidence has revived demand for premium gyms, fitness clubs, and corporate wellness programs. North America and Europe show strong demand for premium fitness clubs offering personalized training and data-driven fitness solutions, while Asia-Pacific sees growth due to corporate wellness initiatives and government-backed sports industry development.

(3) Regional Market Analysis

A. North America: Slower Growth, but Strong Commercial Demand

With a projected \$6.2 billion market size in 2024, North America remains the largest market but faces slower growth at 3.5% CAGR due to post-pandemic normalization in home fitness. However, commercial gym investments remain strong.

B. Europe: Expansion in Corporate Wellness Programs

The \$4.2 billion European market is growing at 4.1% CAGR, with key drivers including corporate wellness initiatives and premium connected fitness solutions.

C. Asia-Pacific: Fastest-Growing Market

Projected at \$3.9 billion with a 6.2% CAGR, the Asia-Pacific market sees booming demand in China, India, Japan, and Southeast Asia, supported by government policies and foreign gym chain expansions.

D. Latin America & Middle East: Emerging Growth

With a 6.0%+ growth rate, emerging markets in Brazil, UAE, and Saudi Arabia see rising fitness awareness and government-backed initiatives.

(4) Market Size and CAGR

	2024 Market Size (Bn USD)	CAGR
Global	15.9	5.1%
Home	8.7	4.8%
Commercial	7.2	5.5%
North America	6.2	3.5%
Europe	4.2	4.1%
Asia-Pacific	3.9	6.2%
Latin America & Middle East	1.6	6.0%

2. Outdoor Leisure Furniture

The global outdoor furniture market is projected to maintain steady growth in 2024, driven by economic recovery, urbanization, and increased consumer demand for outdoor living spaces. According to market research, the market size is estimated to range between \$60 billion and \$65 billion in 2024, with a compound annual growth rate (CAGR) of 3.1% to 6.2% from 2024 to 2029.

Several factors contribute to this growth. Firstly, expansion in residential and commercial construction markets has led to increased demand for outdoor furniture, particularly in high-end housing developments and tourism-driven areas. Secondly, rising disposable incomes have fueled the sales of premium outdoor furniture. Additionally, with growing environmental awareness, the use of sustainable materials (such as recycled plastics and eco-friendly wood) has gained traction, attracting environmentally conscious consumers

- North America: The U.S. and Canada remain dominant markets, benefiting from a strong housing sector and a cultural preference for outdoor living. The U.S. market alone is expected to exceed \$20 billion in 2024.
- Europe: The U.K., Germany, and France have well-established outdoor furniture markets. Demand is driven by the popularity of home gardens and public space development.
- Asia-Pacific: Rapid urbanization and the rise of the middle class in China, India, and Southeast Asia make this the fastest-growing region. In China, government policies promoting green building and public outdoor spaces further boost market demand.
- Latin America & the Middle East: While still relatively small, these regions are emerging growth areas, fueled by tourism and luxury real estate development.

From an economic perspective, the outdoor furniture market's growth is influenced by consumer preferences, urban development, environmental policies, and construction trends. In the short term, inflationary pressures may impact consumer spending. However, in the long run, sustainability trends and emerging markets will continue to drive strong growth in the industry

3. E-BIKE

Current Market Size and Structure :

The global e-bike market is poised for continued expansion, with forecasts projecting the total market value to reach approximately USD 58 billion by 2025. This represents a steady increase from the estimated USD 44.12 billion recorded in 2023, reflecting robust demand across key regions.

Sales Volume Projections :

While comprehensive data for 2025 has yet to be finalized, prevailing market trends suggest global e-bike unit sales will surpass the 42 million units sold in 2023. The sector's growth trajectory indicates sustained momentum driven by urban mobility demands and environmental considerations.

Compound Annual Growth Rate :

From 2024 through to 2036, the global e-bike market is expected to exhibit a CAGR of 13.8%, underscoring the sector's significant growth potential.

Long Term Forecast and Market Potential :

With projected annual growth rates ranging between 10% and 12%, the market is anticipated to reach a valuation of USD 80-90 billion by 2030, bolstered by continued innovation, policy incentives, and rising consumer adoption in both mature and emerging markets.

E-Bike Market Size Forecast: A Global Growth Trajectory :

E-Bike Market Forecast (CAGR, 2024-2030)		
Region	CAGR (%)	Analysis
Global Overall	10.2% - 12.6%	Steady growth with the industry still in the adoption phase.
Europe	7% - 9%	A mature market driven by premiumization and product diversification.
China	5% - 6%	Domestic demand remains stable; exports influenced by Western policy shifts.
North America	12% - 15%	The fastest growing market, with varied use cases in commuting, sport, and logistics.
Other Asia	11% - 13%	Growth fueled by local consumption and manufacturing, especially in Indonesia, Vietnam, and Thailand.
Other Regions	10% - 12%	Demand rising in Mexico, affluent Middle Eastern markets, and tourist cities.

Regional Market Comparison: Navigating Growth Opportunities and Structural Challenges

Region	Market Characteristics	Opportunities	Challenges
Europe	High levels of government subsidies and strong urbanization	Strong demand for high priced, premium branded e-bikes	Tariffs and stringent local certification requirements
US	A hybrid market blending commuting and recreational usage	Rapid expansion of the mid range segment	Significant challenges in building after sales and servicing networks
Region	Market Characteristics	Opportunities	Challenges

● European Market: Demand Adjustment and Strategic Supply Chain Rebalancing

Restructuring of Import Dynamics : In 2024, e-bike imports into the EU declined by 27% year on year to 642,000 units, falling slightly below the pre pandemic level of 705,000 units. Import value dropped by 33%, reflecting a period of rational market adjustment, with simultaneous restructuring of both supply and distribution channels.

Shifting Supply Sources : China’ s exports to Europe surged by 19%, with its market share rising from 15% to 24%. Conversely, Taiwan’ s share fell from 47% to 35%, indicating a market shift towards higher cost performance alternatives and more diversified sourcing strategies.

Intensifying Price and Brand Competition : Taiwan maintained a high average export price of €1,450, consolidating its premium market positioning. Meanwhile, China expanded its presence in the entry level segment with an average unit price of €388. Premium brands must accelerate efforts in product differentiation and strategic deployment in logistics applications.

Despite a slowdown in growth, Europe remains the world’ s largest e-bike consumer market, offering strong brand value and long term strategic opportunities.

● North American Market: A High Growth Strategic Frontier

Strong Rebound in Import Demand : In 2024, total U.S. bicycle imports exceeded 11 million units, up 17% yearly, with e-bikes accounting for an increasing share. China remains the dominant supplier, holding an 85% market share.

E-Bikes Gaining Ground Rapidly : E-bike imports into the U.S. reached 1.7 million units in 2024, marking a 72% annual growth rate making it one of the fastest growing mature markets globally.

Policy Uncertainty Threatens Supply Chain Stability : The reinstatement of steep additional tariffs on Chinese made e-bikes is prompting brands to diversify production bases and explore regional assembly strategies.

With robust domestic demand and diverse usage scenarios ranging from commuting and recreation to logistics North America presents a compelling opportunity. However, success will depend on strengthening brand operations and accelerating the localization of after sales and spare parts services.

- **Taiwan Market: A Value Driven Supply Chain Pivot in Transition**

Export Volume Declines, But Value Remains Resilient : Taiwan's e-bike exports dropped by 47% in 2024 to 365,000 units, the lowest level since 2018. Nevertheless, strong average selling prices and product quality maintained its competitive edge, with total export value reaching €640 million.

Strategic Market Realignment : While European exports declined by 46%, shipments to the U.S. remained relatively stable highlighting North America's growing importance as a stabilizing force for Taiwanese exporters.

Emerging Opportunities in Asia : As demand from Europe undergoes correction, Taiwan is well positioned to expand its brand and OEM presence in emerging markets such as Vietnam, Indonesia, and India, leveraging its mid to high end technical capabilities.

With its strong manufacturing pedigree and flexible supply chain infrastructure, Taiwan plays a critical role in the global supply chain realignment. Continued investment in product differentiation and strategic partnerships will be essential to sustaining its competitive advantage.

Market Trends and Strategic Outlook :

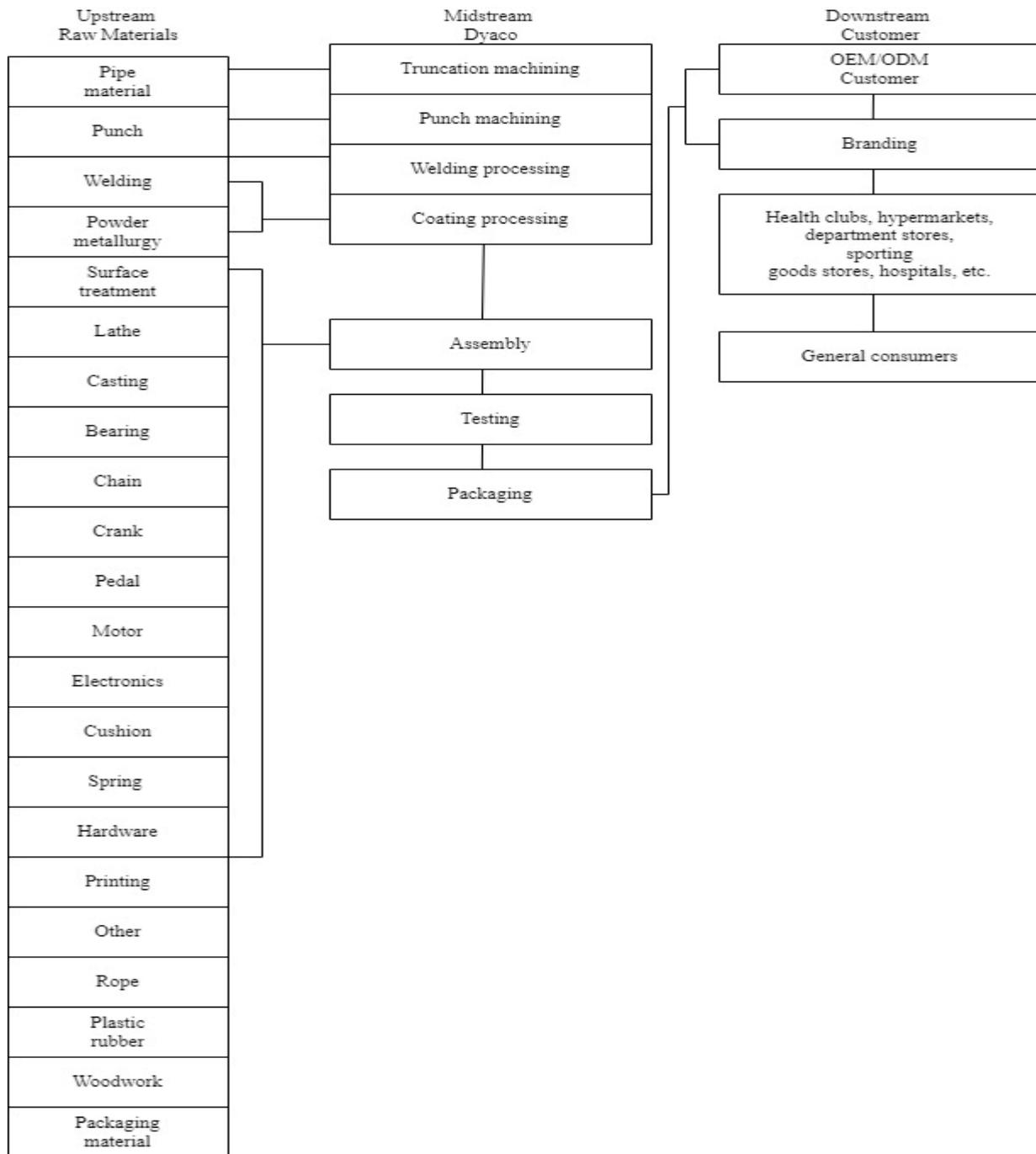
(1) **Intensified Competition in the Premium Segment** : Demand in Europe's e-bike market is showing signs of deceleration, prompting suppliers to strengthen brand differentiation and focus on innovation to preserve their competitive edge.

(2) **North American Growth Opportunities** : The United States continues to demonstrate robust demand for e-bikes, offering significant growth potential. To navigate rising tariffs and shifting policy landscapes, suppliers are advised to enhance localized production and after sales service capabilities.

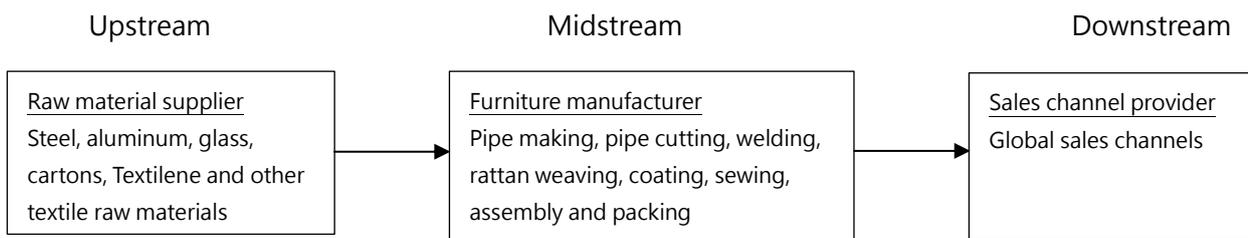
(3) **Supply Chain Reconfiguration** : With Taiwan's export volume under pressure, there is a growing need to reassess global supply chain strategies. Diversifying both market reach and product offerings will be critical in sustaining resilience and long term competitiveness.

4. Upstream, midstream and downstream correlation of industry

(1) Fitness equipment



(2) Outdoor leisure furniture



(3) E-Bike



5. Product development trends

(1) Fitness equipment

In the past, fitness equipment users were mostly motivated by muscle building or weight control, but with the influence of technology, economic advancement and an aging society, more and more users are taking up fitness activities for other reasons. With the advancement of production technology and the popularity of fitness equipment, the difference between home and commercial workout equipment is becoming more and more blurred, and today's consumers tend to purchase fitness equipment that meets their actual needs based on function and quality. A report by American College of Sports Medicine, "Worldwide Survey of Fitness Trends for 2021," predicts that new global fitness trends this year will include online training, wearable technology, weight training, outdoor activities, and high-intensity interval training. With regard to the supply and demand of fitness equipment in recent years, the following trends are projected for the future development of the industry:

A. Low-load exercise equipment

With the increasing awareness of exercise among the elderly and women, the number of fitness equipment users over the age of 45 is on the rise. As a way to prevent the occurrence of sports injuries, low-load exercise equipment is widely advocated for users of different ethnic groups and age groups, such as seniors, children, office workers, women, disabled people, rehabilitation patients, special patients (with knee arthritis or heart disease), etc. Customized fitness equipment that meets the needs of this low-load health workout will be even more desirable.

B. Towards user-friendly and personalized design

To allow users to exercise in the most comfortable and safe condition, the fitness equipment gradually incorporates technology into the design, changing the previous steel and hard appearance, all details are oriented towards the ergonomic needs, and the structure is easier to operate and use. The models with user-friendly and personalized trainer function can not only keep track of the user's individual physical needs, ranging from time control and exercise volume to a choice of exercise interval and exercise mode, but also provide the user with progressive guidance through the equipment to achieve the effectiveness of fitness exercise and motivate the user to continue to use.

C. Integrating electronic technology development

Compared with the rapid changes in consumer electronics, integrating fitness equipment with

electronic products can still be improved. Due to the technological advancement and affordability of electronic products, the use of electronic technology to assist and monitor the workout process will become more popular. The new products with emphasis on program control, body condition monitoring, real-time information feedback and other functions will test the ability of fitness equipment manufacturers to integrate electronic technology.

D.Environmental and energy efficiency

With global warming, climate change and energy depletion, there is a growing awareness of the need to save energy and reduce carbon emissions. Though people may not be able to do this in everything they do in life, when spending money on consumer goods or luxury goods, they can consider the reduction of carbon footprint, how to reduce electricity consumption and weight, as well as the use of consumables and parts, so that the product itself can be recognized to a certain extent, and from which comfort can be drawn.

(2)Outdoor furniture

The demand for outdoor leisure furniture is mainly driven by factors such as consumer usage demand, lifestyle habits and the environment. As the product is placed outdoors, its durability will be shortened by the weather, and consumer preferences may change as the market trends vary from year to year, resulting in a higher renewal rate of outdoor leisure furniture products.

(3)E-bike

As urbanization accelerates, environmental consciousness intensifies, and micro mobility gains momentum, the global e-bike market continues to demonstrate strong growth. According to multiple industry forecasts, the CAGR from 2024 to 2030 is projected at 10-13%. Europe, the United States, and urban Asia Pacific markets are witnessing rapidly rising e-bike adoption, driving product segmentation and technological advancement.

A. Product Segmentation and Use Case Differentiation

1. Urban Commuter E-Bikes

With the growing population of urban commuters, consumer preferences are shifting towards low maintenance, highly reliable, and digitally integrated solutions.

- Trend Focus: Belt drives paired with internal gear hubs reduce maintenance and oil contamination—ideal for office commuters
- Digital Integration: NFC unlocking, GPS based anti-theft systems, and automatic lighting enhance both safety and convenience
- Market Adoption: European and Japanese consumers increasingly favor low-maintenance systems such as Gates belt drives and internal gear hubs (e.g., Enviolo, Shimano)

2. Heavy Duty Cargo E-Bikes

As urban logistics and child transport alternatives grow, cargo e-bikes are emerging as a major trend.

- Technology Focus: Class 3 mid drive motors (45 km/h) with dual battery configurations

enable long range and high load operation

- Regulatory Compliance: Must meet EU EN 15194 standards and support modular safety testing
- Market Case: Urban Arrow and Tern GSD are widely adopted in European last mile delivery and family logistics

3. Gravel & Adventure Hybrids

Post pandemic outdoor recreation has driven demand for mixed terrain and rural road ready e-bikes

- Innovation Focus: Low Q-factor motors with drop bar frame designs, electronic shifting, and integrated PAS logic
- Smart Add-ons: USB-C power ports, radar tail lights, and off grid riding accessories
- Market Outlook: In Europe and North America, gravel e-bikes are positioned as ideal tools for short adventure travel, with rapid uptake

4. Lightweight Folding Models

Limited urban space and multimodal commuting are fueling demand for compact folding e-bikes.

- Tech Trend: Integrated battery and controller in the downtube with cylindrical cell modules for weight reduction.
- Portability Features: Magnetic folding joints, internal cabling, and incline sensitive smart assist systems.
- Market Insight: Small wheel folding e-bikes are gaining popularity in high density cities such as Taipei, Tokyo, and Hong Kong.

B. Upgrades Across Key Components and Smart Systems

1. Intelligent Control and AI Assisted Algorithms

Controllers must support CANBus architecture for system wide integration (lights, sensors, app connectivity), with OTA firmware updates and diagnostic functions.

- The PAS (pedal assist system) is evolving from fixed level systems to AI enhanced, multi sensor fusion algorithms that dynamically adjust support levels.

2. Battery System Innovation with Regulatory Alignment

Modular battery packs are enabling hot swappable and scalable configurations.

- Fast charging capabilities (up to 3C), active balancing, and thermal redundancy systems are being adopted to comply with UL 2271 and UL 2849 standards.

3. Enhanced PAS Integration for Superior Ride Experience

Development of PAS systems combining magnetic encoders, IMU, cadence and torque sensors is underway to simulate natural pedal feedback.

- Automatic detection of slope and pedal force at start up provides instant support crucial for elderly and novice riders.

C. Platform Based Architecture and Modular Manufacturing

1. Full Vehicle Phantomization

Standardizing frame, battery mounts, wiring, and rear racks across S/M/L sizes enables shared tooling and significantly lowers development and production costs.

- Universal headtube modules (including UI, lights, controllers) and modular cargo solutions allow multi use expansion.

2. Software Defined Vehicle Configurations

Vehicle parameters can be regionally adjusted via OTA (e.g., speed limits), enabling one hardware platform to serve multiple national markets.

- API and SDK integrations with customer app ecosystems enhance flexibility and value for OEM/ODM clients.

D. Sustainability and Regulatory Compatibility as Strategic Foundations

1. Green Materials and Production Processes

Adoption of recycled 6061 aluminum, low energy powder coatings, and laser welding reduces environmental impact.

- Advanced R&D into biogenic carbon fibers and natural composites supports premium, eco-conscious product lines.

2. Global Regulatory Readiness

Full compliance with UL 2849 / UL 2271 (US), EN 15194 / ISO 13849 (EU), and eco-standards such as REACH and RoHS is being implemented.

- Products targeting the UK and Australia must also meet CE/UKCA certifications and electromagnetic interference regulations, necessitating flexible regulatory design.

E. Strategic Outlook: Intelligence + Sustainability + Modularity as Future Drivers

The e-bike industry is moving decisively towards personalized riding experiences, cross platform modular design, and unified global compliance frameworks.

Combining intelligent system integration, a sustainable supply chain, and accelerated certification/customization capabilities will define the competitive edge for next generation manufacturers.

6. Product competition

(1) Fitness equipment

The fitness equipment industry has entered a mature stage, with a high concentration of product demand, an increasing brand influence, and a growing trend of brand concentration. Competition between brands will bring about a change in the nature of competition in the industry and the polarization of prices in the past. When purchasing fitness equipment, consumers will not only consider the actual demand of exercise, but also attach importance to the brand image and product appearance design. Therefore, to cater to customer needs and maintain brand image, manufacturers will continue to roll out new products in terms of appearance, specification design and functionality, expecting to differentiate themselves from their competitors, but this will also lead to a relatively short product life cycle. As such, in addition to marketing channels, innovative R&D and design capabilities

are also key factors in maintaining competitiveness in the fitness industry.

Since the United States remains by far the largest consumer market for the global fitness equipment industry, most of the world's top 10 fitness equipment manufacturers are dominated by American companies. In terms of the competitive environment, the fitness equipment market is divided into household, light commercial and commercial products. For household goods, the main competitors are Icon Fitness and Johnson, with major Chinese manufacturers also joining in; Landice, True Fitness and Johnson are competitors in the light commercial market; Life Fitness, Technogym, Precor, Cybex and Johnson compete in the commercial market. The Company is a major manufacturer and seller of professional fitness equipment for home and commercial use. At present, domestic manufacturers of similar products include Johnson, Raxon, Tonic, SportsArt, Steelflex, Reallusion, Tung Keng, HealthStream and Strength Master, etc. However, except for Johnson and Raxon, which are listed companies, and Strength Master Fitness Tech. Co., which has been registered on the Emerging Stock Market, the rest of companies in the industry are limited in scale.

To continuously enhance the competitiveness of the industry, in addition to keeping abreast of the global market demand, fashion trends and product design direction, we continue to maintain the existing advantages in Taiwan under the threat of low production costs and soaring prices of raw materials, develop innovative products with added value and differentiate them from products made in China, improve international marketing capabilities, maximize our competitive edge in the international market, and actively explore global business opportunities.

(2) Outdoor furniture

Furniture is a traditional industry with mature design and manufacturing technologies, and it is difficult to make a breakthrough in terms of innovation. Continued investment by existing and emerging players has resulted in an overabundance of competitors, making the furniture market more competitive. The Company has a long-standing relationship with a sales customer, which is a well-known outdoor furniture group with international brands and attaches importance to the supervision and control of raw material procurement and manufacturing quality. Each year, we develop a number of new furniture models with reference to market consumption trends to differentiate ourselves from the market and earn the trust of customers with stable prices and quality while maintaining a long and stable relationship with large chain distributors in North America.

(3) E-Bike

The competitive landscape of the global e-bike industry extends well beyond product design and pricing. It is increasingly defined by integration across the supply chain, control over key components, manufacturing precision, and the sophistication of after sales service networks.

● Diversified Product Lines Drive Brand Differentiation Strategies

The mainstream e-bike market is now broadly segmented by use case: urban commuter, heavy duty cargo, recreational/sport, and lightweight folding models. Each category entails distinct brand strategies and technical requirements.

Urban commuter models, for example, prioritise compactness, integration, and aesthetics—often featuring internal gear hubs, belt drives, and smart app functionality. Brands such as TENWAYS, Cowboy, and VanMoof emphasize seamless design and a digitally enhanced ride

experience.

Conversely, cargo e-bikes demand structural rigidity and long distance stability. Key design elements include extended wheelbases, high capacity rear racks, dual battery modules, and compliance with EN 15194 and DIN 79010 safety standards. Manufacturing these models requires elevated expertise in welding, power management, and load bearing structure design. Brands such as Tern, Urban Arrow, and Riese & Müller typically outsource to experienced OEMs and use premium mid drive systems from Bosch and Shimano.

- **Key Components and Raw Materials Shape Entry Barriers**

The core of an e-bike comprises the motor (mid drive or hub), battery module, controller, drivetrain, and sensor systems. Leading brands often rely on high end suppliers from Europe or Japan, such as Bosch, Brose, Shimano, and Bafang to ensure performance reliability and brand credibility, raising the bar for new entrants.

In terms of frame materials, aluminum alloys remain dominant. Some high end brands incorporate carbon fiber or titanium to improve weight, stiffness, and visual appeal. However, carbon frame production demands significant investment in tooling and thermal processing equipment, lengthening development cycles and inflating costs. Brands with in house carbon capabilities or long term outsourcing partnerships enjoy greater leverage in the premium segment.

- **Manufacturing Quality and Assembly Integration as the Core of Competitive Advantage**

While design and branding influence initial customer choices, long term brand success in the mid to high end e-bike market hinges on product stability and ride quality. European brands such as Riese & Müller and Haibike often assemble domestically in Germany, accepting higher labour costs to maintain process consistency and traceability.

In contrast, American brands like Rad Power rely heavily on OEM assembly in China or Vietnam. While this approach supports lower pricing via economies of scale and direct to consumer sales, it exposes brands to greater variability in quality and post sale cost risks.

Asian manufacturers such as Giant and Merida leverage vertically integrated operations and self owned production facilities to maintain high quality standards while remaining cost competitive. With in house capabilities across extrusion, welding, painting, and final assembly as well as familiarity with European and U.S. safety certifications these firms are favored OEM partners and well positioned to build global brands.

- **After Sales Systems and Digital Ecosystems as Emerging Battlegrounds**

As customer expectations for post sales support rise, leading brands are shifting from a sell a bike model to a sell a service paradigm. Many high end and innovative brands now offer OTA updates, remote diagnostics, and digital connectivity to strengthen the user product relationship.

Brands such as Tern and Specialized are investing in dealer repair networks and spare parts logistics to shorten service turnaround times and boost customer retention. Others are experimenting with blockchain warranty records, ride analytics, and cloud based locking systems to enhance user experience and reinforce brand differentiation.

Ultimately, the ability to merge hardware innovation with digital service ecosystems is becoming a decisive advantage in an increasingly crowded marketplace.

- **Channel Strategies as a Key Brand Divergence**

E-bike distribution strategies are diverging between traditional dealer based models and DTC/e-commerce approaches. The former supports high touch sales, in person service, and premium product positioning. Brands like Tern, Specialized, and Giant maintain extensive dealer networks, providing technical training, branded retail outlets, and certified service points to ensure consistent brand experience.

In contrast, emerging brands such as Cowboy and Fiido have opted for DTC models, combining e-commerce with proprietary apps for user data management. This approach boosts margins and accelerates international expansion but comes with challenges in post sale support and customer trust particularly for complex or high ticket products. Without local service centers or warranty hubs, there is a risk user attrition and negative reviews.

A hybrid strategy is gaining traction: starting with DTC to test markets and build brand awareness, then expanding into dealer networks to meet service expectations and localize customer engagement.

- **Future Competitive Focus and Strategic Brand Recommendations**

Future differentiation will be less about visual design or basic specifications and more about depth of manufacturing integration, supply chain flexibility, user service optimization, and digital ecosystem deployment.

Leading brands will consolidate their position through trusted components, high quality processes, and robust after sales infrastructure. Meanwhile, emerging brands must seek breakthroughs in design, pricing strategy, and niche positioning to carve out sustainable market presence.

4.1.3 Technology and R&D overview

1. The technical level of the business

Our technology comes from our R&D team, domestic upstream manufacturers, market demand, industry and academic research institutions. The Company can further understand the development trend of products and the application of new technologies, and develop products and technologies by being close to the market through our marketing staff, agents and distributors in different countries. If necessary, we consult with professionals and cooperate with schools and research institutions to conduct technical training courses or product testing and analysis to make the overall product development more efficient and effective than competitors.

During the product design planning stage, we evaluate the market and consumer needs, analyze the competition, and design our products under the standards set by the international market, such as CE, EN, GS, EMC & LVD and UL/CSA. At the same time, market surveys are conducted by distributors and agents around the world to understand the market acceptance of the new products and to ensure that the new products meet market expectations in mass production.

2. R&D of the business

The marketing, business and R&D staff present new product development proposals, and then meet with senior executives to discuss their feasibility, and upon approval, project leaders and R&D teams are assigned to carry out: A. Product specification and function determination; B. Overall mechanical appearance, electronic hardware and software design, and electrical and mechanical integration; C. Application of new technology; and D. Product sample prototyping, key components testing/technology development, etc. The Company improves the feasibility of product function specification, reduces design modifications, and preserves the design process data.

The Company has so far applied for or passed patents and certifications in Taiwan, China, the United States, the European Union, etc. As of the end of December 2024, the Company has acquired a total of 112 domestic and foreign patents (including invention, utility model and design). The Company owns more than 215 trademarks.

Our R&D equipment includes SolidWorks industrial design software, COSMOS stress analysis software, Rockwell hardness tester, salt spray tester, vibration tester, tension tester, torque tester, impact tester, microcomputer dynamic fatigue tester, constant temperature and humidity tester, motor power tester, and electrostatic gun test equipment.

3. R&D expenses invested during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Unit: NT\$1,000

Year	2024 (Per Audited)	2025 Q1 (Per Book)
Item		
R&D Expenses	124,595	33,928
Net Operating Revenue	7,217,077	1,864,178
R&D Expenses as a percentage of Net Operating Revenue	1.73%	1.82%

4. Technologies or products successfully developed during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

- (1) SPIRIT SBC900 INDOOR CYCLE
- (2) SPIRIT SBC800 INDOOR CYCLE
- (3) Dyaco 8.5UE MED Medical Rehabilitation UBE Upper Body Ergometer
- (4) Dyaco 5.5UE PT Rehabilitation UBE Upper Body Ergometer
- (5) HAMMER Light-commerical Elliptical
- (6) HAMMER Light-commerical Exercise Bike
- (7) HAMMER Light-commerical Indoor Cycle
- (8) SPIRIT XBU75 UPRIGHT BIKE

4.1.4 Business development plan

The Company sets its future business direction by working out various programs in light of the future industrial development and the overall economic environment trend, so as to enhance its competitiveness. The following is a summary of the Company's short- and long-term business development plans:

1. Short-term development plans

(1) Marketing policy

- A. Build e-commerce marketing tools to increase market share outside the physical channels.
- B. Enhance third-party sales platform materials and search engine resources to increase brand exposure in various countries.
- C. Continuously develop brand agents in various countries and establish brand communication platforms.
- D. Integrate the Company's official websites and fan pages to enhance the Company's image in Taiwan and increase the exposure of domestic products.
- E. Design global physical channel marketing materials in a consistent manner.
- F. Continue to build a global channel for the marketing of fitness and medical equipment and seek partners to join our operations.
- G. Draw up a marketing plan for the Spirit Medical Systems Group range of products.

(2) Production policy

- A. Appropriately expand production capacity and strengthen production management to ensure on-time delivery, quality improvement and cost reduction.
- B. Integrate industry supply chain, improve management efficiency and quality reliability, set up information sharing mechanisms, respond quickly to end market demand, reduce inventory cost and increase added value.

(3) R&D policy

- A. Actively develop new models of SPIRIT and SOLE series to increase consumer choice.
- B. Expand XTERRA and FUEL product lines to provide consumers with practical and aesthetically pleasing products at a high price-performance ratio with a certain quality.
- C. Break into the field of medical rehabilitation equipment by strengthening cooperation with academia and through cross-industry alliance and develop products for both the elderly and the mobility-impaired.
- D. Develop a new TFT system for light commercial and commercial models.
- E. Develop products with richer entertainment connectivity (APP software and 3C product connection control) to the control instrument.

2. Long-term development plans

- (1) Adhering to the core value of "brand, service and innovation," the Company develops products and creates value based on people's needs, is committed to providing consumers with simple, comfortable and safe products, and continuously focuses on improving the quality of people's workouts and leisure life.
- (2) Besides products, the Company provides brand belief, product creativity and after-sales service experience, which builds up our relationship with our partners. Based on this framework, we continue to expand the international market share of our self-owned brands SPIRIT, XTERRA and FUEL, as well as brand SOLE.

(3) The Company will continue to be dedicated to R&D technology innovation, and cooperate with the academic community, in the field of medical rehabilitation equipment, to extend the Company's R&D advantages, so that our products can benefit not only the general public, but also those with mobility difficulties or elders at home. Everyone can take pleasure in sports, so as to take care of more people in need of help. After all, we need a healthy body to have a good quality of life.

4.2. Market, Production and Sales Overview

4.2.1 Market analysis

1. Areas where the Company's primary products (services) are sold (provided)

Unit: NT\$1,000; %

Sales Region \ Year		2023		2024	
		Sales	%	Sales	%
Domestic		142,261	1.83%	158,304	2.19%
Exports	America	5,567,231	71.50%	4,771,542	66.11%
	China	245,837	3.16%	204,492	2.83%
	Europe	1,378,977	17.71%	1,556,154	21.56%
	Others	452,165	5.80%	526,585	7.31%
Total		7,786,471	100.00%	7,217,077	100.00%

2. Market share

(1) Fitness equipment

The Company has long focused on the development, manufacture and sale of fitness equipment, with a focus on household and light commercial products, and is expected to be the number one domestic exporter of home gym equipment as the impact of the epidemic has helped boost the Company's market share. Since there are no commercial or academic institutions that provide relevant market size statistics to calculate the Company's market share, only the approximate market share is estimated from the statistics for indoor fitness equipment sales released by the statistics department of the Ministry of Economic Affairs, as follows:

Unit: NT\$1,000; %

Year	Sales of Dyaco	Sales of Taiwan	Market Share
2019	3,549,315	27,664,271	12.83%
2020	8,492,324	38,040,043	22.32%
2021	6,880,450	58,243,196	11.81%
2022	2,732,707	16,314,201	16.75%
2023	3,678,724	16,168,964	22.75%
2024	3,345,108	16,420,926	20.37%

(2) Outdoor furniture

Outdoor leisure furniture products are sold at different prices depending on the materials used, and similar products may be market segmented by several different price points, so it is not easy to calculate the market share ranking of various manufacturers in this industry.

(3) E-Bike

The pricing of e-bikes varies widely depending on model design, motor configuration, and component specifications. Even within the same product category, brands frequently offer multiple price tiers to address distinct market segments. As a result, market share data across the industry remains fragmented and difficult to quantify with precision.

At present, Cikada is a new entrant in the e-bike market and has not yet established a measurable market share. However, by leveraging differentiated design and innovative features, the brand is actively targeting niche segments with high growth potential.

3. Future supply and demand conditions and growth of the market

(1) Fitness equipment

The advancement of technology and medical science has led to a continuous extension of human life expectancy. The global trend is shifting from "living longer" to how to age well. The health industry's development not only brings people a better life but also contains endless business opportunities. Therefore, governments and industries worldwide are investing in the health economy, providing diverse and innovative services to meet the growing demand in the health market. The health promotion service industry comprises four major categories: health management, dietary health, exercise and fitness, and mental health. Exercise and fitness equipment is essential to the industry's future development. The development strategy will also focus on older people and people with disabilities rather than just young and middle-aged adults by developing gentle, interesting, and easy-to-use products suitable for these groups to meet the needs of the healthcare market. In addition, gender is also one of the driving forces of consumer trends. Females are more active in participating in fitness activities than males. In recent years, the outstanding performance of female athletes has further spurred the trend of women using fitness equipment.

The fitness equipment industry caters to those who aim for better health and reduce the effects of aging, making it a customer base that includes the general public and falls under the category of proactive and enthusiastic industries. By exploring the future products of the fitness equipment industry based on the global age structure, the development will move towards body shaping and stress-relieving equipment with high development potential and health-preserving equipment with high economic value. In addition, fitness equipment manufacturers should focus on developing brands and distribution channels, accelerating the research and development of multi-functional and specialized products, designing products based on physical fitness, using electronic technology, and enhancing integrated marketing and innovative value. In the future, fitness equipment will also steadily grow under such development trends.

The global fitness equipment market is primarily concentrated in North America, accounting for over 60% of the global market. In terms of demand, according to the observations of Grand View Research, a market research firm in the United States, the global smart fitness market generated revenue of approximately US\$6 billion in 2006 and is projected to reach a revenue scale of roughly US\$30 billion by 2025. With the increasing popularity of home fitness, according to the estimation of the research firm TechNavio on the global home fitness equipment market in

September 2022, the home fitness market is expected to grow by US\$2.01 billion from 2022 to 2026, with a CAGR of 7.73% during the forecast period.

(2) Outdoor furniture

The rise and fall of the furniture industry are usually closely linked with the real estate and construction-related industries. The United States is the main importer in the global furniture trade market. With continued population influx and economic development, the demand for real estate and construction-related industries continues to expand, leading to long-term and steady growth in the furniture market. From the perspective of furniture demand in the United States, US residents' proportion of consumer spending on furniture products has remained relatively stable. In recent years, the growth rate of consumer spending on personal furniture products in the United States has been consistent with the growth rate of total personal consumption expenditure, indicating that the demand for furniture in the United States is steadily expanding along with the overall economic development.

On the supply side, domestic furniture manufacturers in the United States face challenges from imported furniture from Asia. The main country of import is China, followed by Mexico, accounting for about 60% of the overall import ratio. Other import countries include Vietnam, Malaysia, and Indonesia. China offers a complete range of furniture products with abundant supply. Vietnam mainly exports wooden products and has a competitive advantage in low cost and price. Malaysia and Indonesia ranked behind Vietnam and held important positions in wooden furniture production. Compared to local US manufacturers, these imported furniture products have lower labor costs and production expenses, giving them a better competitive pricing advantage.

(3) E-Bike

The e-bike sector has exhibited robust growth in recent years. According to the latest data, global e-bike sales surpassed 42 million units in 2023, with the market valued at USD 45-47 billion. This expansion has been driven by accelerating urbanization, environmental policy incentives, improved infrastructure, and shifting consumer mobility preferences.

Looking ahead, global sales are projected to reach 45-47 million units by 2025, with a further increase to 65-70 million units by 2030. By then, the market could be worth USD 80-90 billion, representing a CAGR of 10-13%.

On the supply side, post pandemic manufacturing capacity in key Asian hubs such as Taiwan, Vietnam, and Cambodia have gradually stabilized. Meanwhile, European production and assembly are increasing in response to local regulations and carbon reduction targets, contributing to a more geographically diversified supply chain.

Regional Market Overview: Europe remains the dominant force in the global e-bike market, accounting for approximately 39% of total sales. This leadership is supported by generous government subsidies, well established cycling infrastructure, and ongoing urban transport reform initiatives, all of which have cultivated a favorable environment for e-bike adoption.

China holds around 28% of global market share. While growth has somewhat stabilized in recent years, structural demand in areas such as logistics and short distance commuting

continues to sustain the market.

North America, representing 12% of global sales, is benefitting from regulatory easing and increased consumer acceptance of micro mobility solutions. Demand for cargo and utility e-bikes is rising sharply, driven by their practical applications in urban and suburban settings.

Southeast Asia and other Asian regions collectively account for around 10%, and are regarded as high potential growth markets, driven by rapid urbanization and ongoing infrastructure development.

Meanwhile, Latin America and the Middle East are also beginning to generate emerging demand, spurred by shifting climate conditions and evolving transportation needs across metropolitan areas.

Growth in the coming years will be fueled by advancements in product segmentation and usage scenarios. While early adoption was largely for recreational use, demand has shifted toward daily commuting and family transport, particularly in the urban commuter and heavy-duty cargo categories.

The adoption of smart features is accelerating, with apps offering ride data tracking, tyre pressure monitoring, remote locking, and GPS based anti-theft systems. These technologies enhance the overall user experience and increase product stickiness.

Regulatory compliance is becoming increasingly stringent, with standards such as EN 15194, EN 50604, UL 2849, UL 2271, and ISO 4210 setting new benchmarks for battery safety and structural integrity. This is compelling brands to accelerate technological upgrades and deepen product differentiation.

Institutional and shared use segments including logistics operators, government fleets, and public vehicle sharing platforms are expected to become significant growth drivers, particularly in the context of urban electrification and smart city initiatives.

However, several challenges must be addressed. Price volatility in critical raw materials such as aluminum, lithium, and iron are placing pressure on manufacturing costs. Supply chain concentration in controller and motor systems exposes manufacturers to geopolitical and inventory risks. Additionally, fluctuating policies and tariffs across regions could impact pricing and supply chain stability. Over the next five to ten years, the global e-bike market is expected to maintain strong growth momentum. To capitalize on emerging opportunities and mitigate evolving risks, companies must closely monitor policy developments, technical standards, and consumer behavior trends. Establishing a resilient, differentiated, and sustainable product and supply strategy will be key to securing long term competitiveness in this dynamic industry.

4. Competitive niche

(1) Acquire marketing channels

- A. Ownership of four fitness equipment brands SOLE, SPIRIT, FUEL and XTERRA, rehabilitation equipment brand Dyaco Medical, and authorized ultimate fighting brand UFC.
- B. With subsidiaries in the U.S., Canada, Japan and China, we are able to respond to customers' needs quickly and accurately grasp the market trend, which helps us to promote our own brands and raise the competition threshold, by accessing the marketing channels and

distribution bases and offering a consistent production process from research and development, production, sales to after-sales service.

C. With more than 130 partners in the international market, the Company operates locally in a cooperative manner, providing mutual support and reducing direct operating costs.

(2) Innovative R&D

A. We have a professional team responsible for product appearance design, commercial design, institutional design, 3D drawing, 2D drawing, electronic engineering, finished product life test to safety certification, and due to a professional work division, we can develop 10 to 20 new products in a year and launch them within 6 to 12 months.

B. We have acquired the patents of many innovations and utility models, and continue to make proper use of the arrangement of each patent to raise the entry threshold of market technology.

C. We work with the academic institutes in industrial-academic exchanges and technical cooperation to make the products more diversified and creative.

D. In view of the world's rapidly aging population, Dyaco has been partnering with domestic and overseas academic institutions and large rehabilitation and care centers for many years. Based on the professional R&D technology for fitness equipment software and hardware, the Company is leading the industry in creating a range of high-end rehabilitative medical equipment.

(3) Manufacturing efficiency

A. With the introduction of enterprise resource planning software SAP, ERP enables the integration of various departments to boost the efficiency of material procurement management and production.

B. The production process from pipe cutting, pipe bending, (automatic) welding, molding, baking and painting to assembly is fully autonomous, which can not only effectively control the cost but also keep tabs on product quality and production progress.

C. We have a complete quality assurance system, which includes incoming quality control (IQC), supplier quality engineer (SQE), input process quality control (IPQC), final quality control (FQC) and outgoing quality control (OQC), to strengthen the quality control of raw materials and finished products.

D. The Company is able to stand out in every market, keep up with trends, and differentiate itself from the competitors in terms of appearance design, product uniqueness, manufacturing performance, marketing channels and after-sales service.

(4) Pros, cons and countermeasures to the development vision

A. Pros

a. The industry scale continues to expand as the trend of healthy slimming and body shaping becomes more prevalent.

With the baby boomers' emphasis on quality of life, the young people's stress on body sculptures, the preventive health care and sports trends advocated by various governments, more and more people are putting a premium on leisure sports and the physical, mental and spiritual development of individuals, and coupled with global

warming and the growing La Nina phenomenon, the number of people using indoor fitness equipment for sports or leisure will continue to grow.

b. Well-established supply chain

Having long-term relationships and deep partnerships with upstream suppliers, we are able to have an effective grip on raw material supply, inventory and prices and reflect them in real time.

c. Innovative design capabilities to keep up with trends

The Company has a complete product development system, and experienced marketing, business and R&D teams consisting of nearly a hundred people, which continue to expand the medium- and long-term cooperation with professional design companies, so that the appearance design of each product reaches a certain level. The R&D team has also been digging into mechanical and electronic system integration and innovation throughout the years to gain a grasp of key technologies, while the marketing department continues to sharpen its grip on the market and keep abreast of trends and fashions, so that the products can meet the market demand and widen their differentiation from the competitors'. We are the first company in Taiwan to successfully transfer the flywheel transmission system to elliptical machines and acquire a design patent on the core key technology, which not only guarantees the possibility of transferring the flywheel system to exercise equipment such as steppers, treadmills, etc., but also allows for the diversification of fitness-related products in the years ahead.

B. Cons

a. Product homogeneity

There are so many products of the same type in the market—so many choices, but so few differences—that the heterogeneity between products has turned into homogeneity, and it is difficult for general consumers to distinguish the differences between products.

Response:

- By empowering the marketing team, the information of market changes can be effectively gathered and the product development direction is aligned with market trends and fashions, and the brand positioning highlights the product differentiation and strategically increases the added value of the product.
- With a strong R&D lineup, we develop unique and innovative products to provide consumers with diverse and differentiated choices, while actively developing products in the field of medical rehabilitation equipment.

b. Multiple competitors and price cutting

As the industry continues to grow, more and more cross-industry competitors (e.g., cycling, medical) and Chinese manufacturers are entering the fray by copying or cutting prices in large numbers, making competition relatively intense.

Response:

- Using the brand to increase product recognition and customer loyalty, providing customers with a complete business solution (including marketing, product, after-sales

service experience integration), not only unites the efforts of local agents to fight together, but also makes it difficult for consumers to make purchasing decisions only based on price.

- Seek strategic alliance partners in potential markets.
- We constantly research and develop new products, develop new technologies through industry-academia cooperation or cross-industry alliances, and increase the entry threshold for new product production so that competitors cannot easily imitate.

c. Increasing production costs

High environmental awareness and fluctuations in raw materials and exchange rates are driving up and down production costs.

Response:

- Seek out suppliers that comply with environmental regulations and guide the production of raw materials which meet environmental regulations.
- Prepare materials in a systematic way to obtain the advantage of price and supply stability by purchasing in large quantities.
- Enhance the ability to keep abreast of the latest international raw material prices in order to determine the future trend and, when the prices are lower, make purchases to meet production needs.

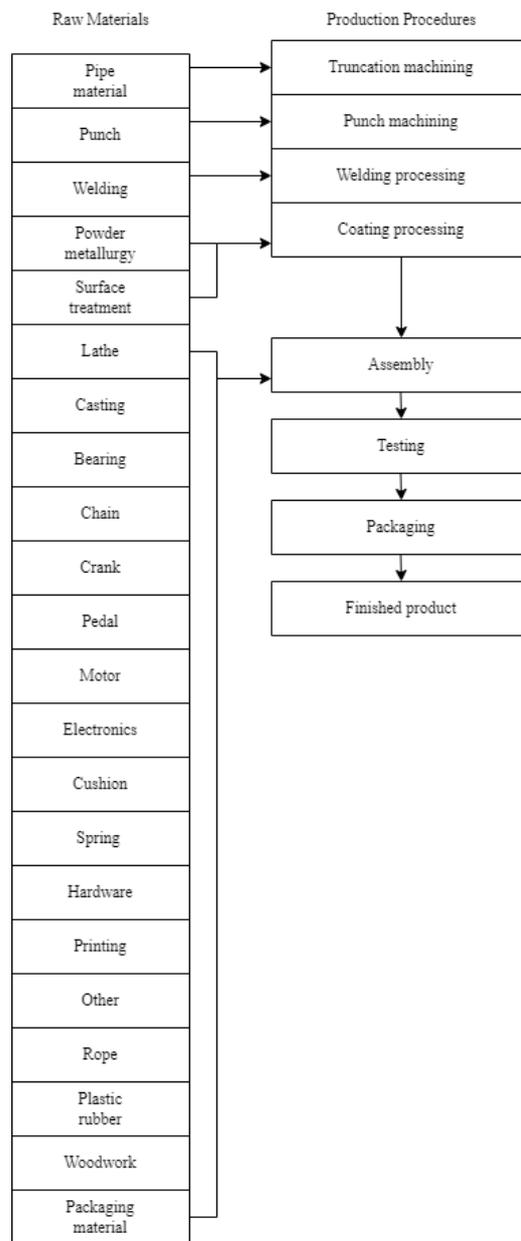
4.2.2 Important uses and manufacturing processes of primary products

1. Important uses of primary products

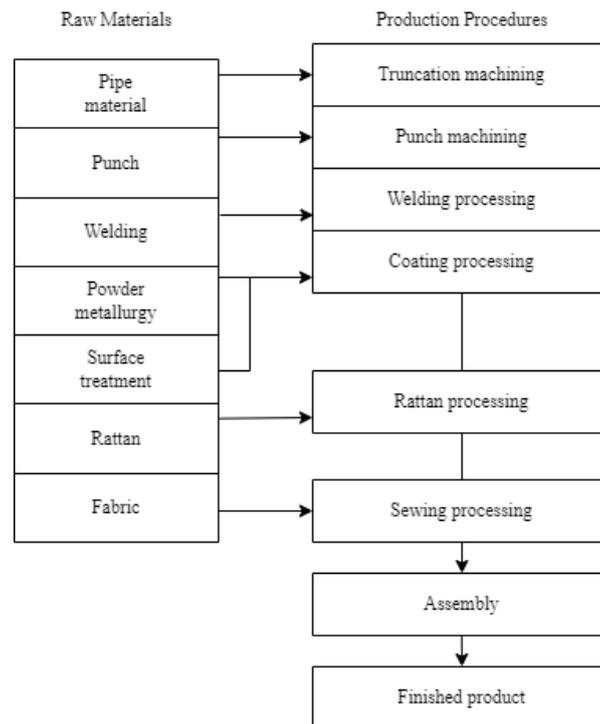
Product Category	Usage
General fitness equipment	Used in homes, hotels, companies, schools, gyms, etc., to burn calories and fat through exercise for healthy body shaping.
Medical rehabilitation equipment	Used in medical institutions, care centers, physiotherapy facilities and at home for the elderly or those with mobility problems.
Lightweight fitness equipment	For general home use and other body shaping exercise.
Furniture	For general home or commercial outdoor use.
E-Bike	E-bikes serve a wide range of applications, including urban commuting, logistics and delivery, outdoor recreation, fitness and sport, off road and mountain riding, as well as mobility support for the elderly. By combining electric assistance with the benefits of traditional cycling, e-bikes significantly enhance everyday transport efficiency while also addressing more demanding use cases such as cargo hauling and long distance travel. As a result, they are increasingly recognized as a key solution for urban mobility and the transition towards sustainable, green transportation.

2. Manufacturing process

(1) Fitness equipment



(2) Outdoor furniture



(3) E-Bike

A. Upstream Manufacturing - Raw Materials and Structural Components

1. Raw Material Procurement

- Frame materials: Aluminum alloy, carbon fiber, steel
- Battery materials: Lithium, nickel, cobalt
- Core electrical components: Motors, sensors, and electronic modules

2. Frame Fabrication

- Tube cutting → CNC machining → Welding (TIG/MIG) → Heat treatment → Grinding/finishing

3. Surface Treatment

- Degreasing → Dedusting → Phosphating → Spray painting or powder coating → Final quality inspection

B. Midstream Manufacturing - System Integration and Component Preparation

1. Battery Module Assembly

- Cell configuration → Welding/encapsulation → BMS installation → Performance testing → Safety certification

2. Motor and Control System Pre-Assembly Testing

- Firmware configuration → Functional testing (torque and speed sensors) → Waterproofing and sealing treatment

3. Incoming Material Inspection

- Drivetrain components (gearing systems, chains, belts)
- Braking systems (hydraulic/mechanical disc brakes)
- Wheelsets (rims, spokes, hubs)

- Other components (handlebars, saddles, lighting systems, displays)
- C. Final Assembly - Complete Bicycle Integration
1. Mechanical Assembly
 - Installation of front and rear forks, wheels, and braking systems
 - Internal cable routing (for electrical wires, brake lines, and gear cables)
 - Mounting of saddles, handlebars, pedals, and rear racks
 2. Electrical System Integration
 - Wiring of motor, controller, display, lighting modules, and battery
 - System diagnostics: power on logic, anti-theft features, brake light (BSL) functionality
 3. System Power Up and Functional Testing
 - Output power validation, assist curve calibration, speed sensing, PAS performance, battery range estimation
 4. Final Quality Assurance and Road Testing
 - Brake response testing, ride stability checks, electronic system feedback verification
 - Basic waterproof testing (e.g., IP rating compliance)
- D. Pre-Shipment Processing
1. Packaging
 - Protective foam and locking cardboard brackets
 - Compliance with international transport standards (e.g., ISTA-certified packaging)
 2. Logistics and Shipping Coordination

Barcode labelling → Inventory registration → Regional dispatching → Document preparation (COC, CE, MSDS, etc.)

4.2.3 Supply of major raw materials

1. Supply Status of Major Raw Materials

Major raw materials	Major suppliers	Supply status
System	Guangzhou Yunzan Co./EJEK TECHNOLOGY CO., LTD. /CORESTAR CO., LTD., etc	Good
Plastic	WAN CHANG PRECISION CO.,LTD, etc	Good
Motor	Guangdong Wanrui Co., etc	Good
Metal	JIAXING Youqiang metal Co., etc	Good

The main raw materials are procured from more than two suppliers, and the Company has maintained good ties with these suppliers due to its economic scale and excellent new product development capabilities. In addition to meeting the production demand in material supply, it will be more beneficial to the supply safety of main materials.

2. Supply Status of Major Raw Materials for Electric-Assist Bicycles

Major raw materials	Major Suppliers	Supply Status
Motor Systems	Bafang, DataLake, SHIMANO etc.	Good
Drivetrain Components	SHIMANO, SRAM, microSHIFT etc.	Good
Frames and Front Forks	Sunrise, GENIO etc.	Good
General Components	HL Corp, Prowheel, KMC etc.	Good

Given that e-bikes are managed across various pricing tiers, and considering differing market demands and customer brand positions, the range of suppliers involved is highly diverse. The above list represents only a selection of key suppliers.

The company maintains stable and constructive relationships with its existing suppliers while actively engaging in the development of new partners. This includes both raw material providers and processing manufacturers. Such efforts are aimed at enhancing the company's product development and innovation capabilities, thereby strengthening customer confidence in its R&D competence and establishing a more resilient and efficient supply chain ecosystem.

4.2.4 List of main procurement/sales suppliers/clients

1. A list of any suppliers accounting for 10 percent or more of the Company's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each, and an explanation of the reason for increases or decreases in the above figures:

The Company did not have any supplier accounting for 10 percent or more of its total procurement amount in the last two years.

2. A list of any clients accounting for 10 percent or more of the Company's total sales amount in either of the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures:

Unit: NT\$1,000; %

Item	2023				2024			
	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales (%)	Relationship with issuer
1	A Customer	1,511,256	19.41	None	A Customer	1,255,432	17.40	None
2	B Customer	459,690	5.90	None	B Customer	206,834	2.86	None
	Others	5,815,525	74.69	-	Others	5,754,811	79.74	None
	Net sales	7,786,471	100.00	-	Net sales	7,217,077	100.00	-

The reason for increases or decreases:

Customer A is the largest sporting goods retailer in the United States. The sales amount for Customer B represents the U.S. retail sales revenue of the U.S. subsidiary. In 2024, persistent high prices in the U.S. continued to affect consumer spending willingness, leading to a sustained decline in overall demand for home fitness equipment, which resulted in a decrease in sales revenue

4.3. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report

Year		2023	2024	2025(as of May. 5, 2025)
Number of employees	Direct Labor	594	594	453
	Indirect Labor	760	726	613
	Total	1,354	1,320	1066
Average age (Year)		41.51	42.39	42
Average years of service (Year)		8.41	8.90	5.00
Education level (%)	0.07	0.22	0.22	0.28
	5.45	5.45	5.45	6.19
	34.17	36.66	36.66	42.59
	60.28	57.65	57.65	50.94

4.4. Disbursements for environmental protection

4.4.1 Setting forth the Company's investment on the major anti-pollution facilities, the use purpose of such facilities and the possible effects to be produced:

1. All waste generated from the company's manufacturing processes or within the facility is handled and processed by certified waste disposal contractors. The company also submits the required industrial waste disposal plans in accordance with regulations.
2. The manufacturing process at the Changhua Plant has been determined through environmental assessments to produce process wastewater. In compliance with regulations, a wastewater pretreatment system has been installed. The system treats Chemical Oxygen Demand (COD) and Suspended Solids (SS) before discharging the treated wastewater into the dedicated sewer system of the industrial zone. The company has also paid the required water pollution prevention fees as mandated.
3. The company obtained ISO 14001 certification in 2021.

4.4.2 Describing the process undertaken by the Company on environmental pollution protection and its potential benefits.

Unit: NT\$

Equipment	QTY	Date of acquisition	Investment costs	Non-depreciated balance amount	The purpose and anticipated benefits
Wastewater Treatment Works - Yen Zealously	1	2009/03/31	1,530,000	-	Meet the environmental regulations for wastewater discharge.
Wastewater treatment refurbishment works	1	2015/08/01	350,000	-	
Wastewater treatment refurbishment works - Pipework for 10-ton plastic drums for acid and alkali storage	1	2020/3/20	160,000	98,667	

4.4.3 Describing the process undertaken by the Company on environmental pollution improvement for the most recent 2 fiscal years and up to the annual report publication date. If there had been any pollution dispute, its handling process shall also be described: None.

4.4.4 Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date 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 disclosing 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: None.

4.4.5 Explaining the current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the Company, as well as the projected major environment-related capital expenses to be made for the coming 2 fiscal years: None.

4.5. Labor Relations

4.5.1 Setting forth all employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees.

1. Employee benefits

The Company has established the "Personnel Regulations" to comply with the provisions of the Labor Standards Act and has set up an Employee Welfare Committee. The formulation and promotion of various welfare measures aim to safeguard employee benefits and build a sound organizational system. The operation of the committee encourages employees to actively participate in the planning and implementation of activities. The measures are as follows:

- (1) Provision of lunch meals and overtime meal subsidies for employees
- (2) Welfare subsidies for weddings, funerals, celebrations, childbirth, and paternity leave
- (3) Gifts or bonuses for birthdays, Labor Day (May 1), and major holidays
- (4) Subsidies for domestic and international employee travel, departmental gatherings, and club activities
- (5) Facilities including a health room, nursing room, fitness room, car and motorcycle parking spaces, and a KTV room
- (6) Organizing occupational safety, fire safety training, and emergency drills
- (7) Subsidies for domestic and international business trips and fuel expenses
- (8) Occasional employee stock options, salary adjustments, health seminars, and medical consultations
- (9) Year-end banquet and lucky draw events
- (10) Birth subsidies and support measures for pregnant employees
- (11) Provision of employee dormitories for those in need
- (12) Full coverage of labor insurance, national health insurance, and group insurance; group insurance premiums are fully covered by the company
- (13) Employee health check-ups every two years, annual special health check-ups, and additional check-ups for employees aged 65 and above
- (14) Implementation of the ISO 45001 Occupational Health and Safety Management System to

ensure a healthy and safe working environment for employees

2. Employee continuing education and training

(1) Pre-Employment Training

On their first day, new employees must undergo an orientation that includes an introduction to the company, personnel regulations, employee benefits, occupational safety and health training, department overview, and operational instructions. This helps new hires understand the company and its operations, allowing them to integrate more quickly.

(2) On-the-Job Training

- Current employees may participate in internal training programs organized by the company.
- Occupational Safety and Health Supervisors are required to complete 6 hours of on-the-job training every two years; managers must complete 12 hours every two years.
- All employees must receive 3 hours of safety and health education every three years.

(3) External Training

- If employees are nominated by the company or apply for external training due to work needs and receive approval, the training fees can be covered by the company. These programs aim to develop professional talent and improve work efficiency.
- Safety-related personnel (e.g., first aid responders, crane operators, forklift operators, fire prevention managers) must attend refresher safety training every three years for 3 hours.

(4) Continuing Education

Employees are encouraged to pursue specialized courses at colleges or universities during their personal time to broaden their skill sets and provide diverse perspectives for decision-making in the workplace. In 2024, two employees applied for continuing education subsidies.

3. Retirement system and the implementation

(1) The Company has established rules for the retirement of staff employees and workers under the Labor Standards Act, and each month sets aside a reserve for retirement pensions at a certain percentage of their monthly salaries and wages, which is deposited with the Bank of Taiwan for safekeeping pursuant to the Ministry of the Interior's Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds. If the reserve account is inadequate to cover the actual pension payments, the shortfall is recognized as a current expense. The amount of appropriation for 2024 is NT\$138,000.

(2) In accordance with the Labor Pension Act, the Company made a defined contribution to the pension plan at the Bureau of Labor Insurance covered by the Act at a rate of 6% of the employee's monthly wages/salaries, with the contribution recorded as current expense. The employee's monthly wages/salaries shall be deducted at a voluntary deposit rate to individual labor pension accounts at the Bureau. The amount of appropriation for 2024 is NT\$15,935,000.

(3) The provisions of the Labor Pension Act applicable to the Company are as follows:

- Employees who apply for voluntary retirement:

An employee may apply for voluntary retirement in one of the following cases (if he or she has elected the pension mechanism under the Labor Pension Act, the mechanism shall apply):

- A. Those who have been working in the Company for 15 years or more and are over 55 years old.
 - B. Those who have been working in the Company for 25 years or more.
 - C. Those who have been working in the Company for 10 years or more and are over 60 years old.
- Employees forced to retire:

The Company shall not force an employee to retire unless any of the following situations has occurred:

 - A. Where the employee attains the age of 65.
 - B. Where the employee is unable to perform his/her duties due to mental disorder or disability.

The Company may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or is otherwise of a special nature; provided, however, that the age shall not be reduced below 55.
 - Pension payment standard:
 - A. The pension shall be paid in accordance with Articles 84-2 and 55 of the Labor Standards Act for those whose seniority of service before or after the said Act is applicable to the enterprise where they work, who choose to be continuously covered by the retirement mechanism in the said Act under the Labor Pension Act, or who reserve their seniority prior to the application of the Labor Pension Act.
 - B. As set forth in Subparagraph 2, Paragraph 1, Article 55 of the Labor Standards Act, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers who have the years of service referred to in the preceding paragraph and are forced to retire under Subparagraph 2, Paragraph 1, Article 35 due to mental disorder or disability incurred from the execution of their duties.
 - C. For employees whose pensions are subject to the Labor Pension Act, the Company contributes 6% of their monthly wages on a monthly basis to their individual labor pension accounts.
 - Pension payments:

The Company shall pay pensions to employees within 30 days from the date of receipt by the Company of their applications.

4. The status of agreements between labor and management

The Company upholds the rights of employees in accordance with labor laws and relevant regulations. We maintain smooth communication channels between labor and management online and offline. Employees are encouraged to communicate and discuss with their department supervisors directly, and other communication channels are available to facilitate mutual, timely, and comprehensive understanding to work together to achieve common goals. In response to the employment of foreign employees, the Company also provides multilingual support to facilitate the

communication of complete information. The communication methods are as follows:

(1) Labor-management meetings

The Company holds a quarterly labor-management meeting to discuss and negotiate the plans and relevant content between labor and management. Significant matters addressed in the meeting will be announced after the meeting.

(2) Human Resources Announcement

Human Resources periodically posts important matters such as leave policies, annual calendars, and updates to internal management systems on the internal website.

(3) Company Suggestion Box

The Company has a physical suggestion box where employees can provide anonymous feedback. The management department confirms and collects feedback every week. Employees may also choose to send their suggestions via email or consult directly with the head of the management department.

(4) Bulletin Board

The Company provides physical bulletin boards in each department and management office to provide employees with timely information and important announcements, such as measures to prevent workplace harassment and disciplinary actions.

(5) Employee Satisfaction Survey

The company conducts employee satisfaction surveys through online questionnaires to better understand employees' needs and use the results as a reference for organizational improvements.

5. All measures aimed at preserving the rights and interests of employees

The Company has comprehensive regulations to protect the rights and interests of its employees, and regularly reviews and enhances its welfare schemes to ensure that their rights and interests are protected to the highest degree. In 2023, the company implemented an Occupational Health and Safety Management System and obtained ISO 45001 certification through SGS verification. The certificate is valid from July 31, 2023, to July 31, 2026. The company continues to monitor and uphold the rights and well-being of its employees.

6. Protective measures for the working environment and personal safety of employees

Dyaco cares for employees and attaches great importance to workplace safety and health. According to the "Occupational Safety and Health Act," occupational safety and health committee are set up with 13 members, including the general manager as the chairperson, 5 labor representatives (38%), occupational safety and health personnel, department supervisors, and medical staff. Meetings were held quarterly to review and discuss policies well as results tracking. We create the most suitable work environment for employees to reduce the operational risks, reaching the goals of zero hazards and zero occupational diseases.

(1) Workplace Promotion

(2) Occupational Safety Management System & Policy

(3) Notification System

(4) Special Health Check

7. Workplace Promotion

According to the "Occupational Safety and Health Act" and "Occupational Safety and Health Education and Training Regulations," new employees will take 6 hours of pre-employment class, including regulations, work inspection, standard operation procedures, emergency response, first aid, etc. to prevent and remind employees to pay attention while working. In addition, only employees with a bridge crane or forklift license can operate to ensure safety. In accordance with regulatory requirements, relevant operational personnel undergo regular refresher training.

8. Occupational Safety Management System & Policy

(1) Working Environment Monitoring Report

To ensure the employees' health and safety, grasp the working environment's actual conditions, and assess the risk exposure to employees, three factories in Changhua entrust a qualified monitoring company to implement the risks assessment every six months.

(2) Strengthen On-Site Inspections

In Dyaco, we believe prevention is always better than treatment. This makes the on-site safety observation and auditing a critical task, discovering the unsafe behaviors, environments, and equipment in advance and improving to ensure that every employee is working under safety protection. Therefore, it is required for the supervisor to frequent on-site patrol. Any unsafe behavior will be communicated and corrected immediately; if there is danger (such as fire, explosion, etc.) during work, employees should retreat to a safe place without endangering their safety and immediately report to the supervisor.

(3) Chemical Classification Management

According to the Chemical Control Banding (CCB) of the Occupational Safety and Health Administration of the Ministry of Labor's safety data sheet, the chemical operation in factories can be divided into different hazard groups. Employees are educated to identify accordingly to avoid hazards happening.

Currently, the Group does not use any chemicals that pose risks or hazards in the production process. When purchasing from suppliers, the Group always requests the corresponding Safety Data Sheets (SDS) to ensure that all chemicals used in the process are classified and labeled according to the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) as non-hazardous substances.

(4) Safety And Health Management of Contractors

Contractors must fill in a hazard notice, which indicates the construction time and location and possible hazards and provides instructions for safety precautions when entering the factory for construction.

9. Notification System

When an accident occurs, the department personnel must follow the protocol, report to the related people, and the on-site nurses will assess the injury status. Injuries analysis reports are announced every three months at the occupational safety and health meeting, and relevant

improvement and protective measures will be carried out to reduce accidents.

10. Risk and Opportunity Management Process

The company utilizes the analysis methods of the Occupational Health and Safety Management System (ISO 45001) to conduct workplace hazard and risk assessments. Preventive and corrective measures are implemented to eliminate any unsafe environments or behaviors during operational processes.

11. Special Health Check

In accordance with the Regulations of Labor Health Protection, the company not only conducts regular general health check-ups but also arranges annual special health examinations for employees engaged in specific job functions. These examinations cover operations that pose particular health risks, such as exposure to noise, dust, dimethylformamide (DMF), and n-hexane, to ensure the health and safety of employees.

For instance, employees in the pipe-cutting and stamping areas are exposed to higher levels of noise and dust in their working environment; therefore, they are scheduled to undergo annual examinations specifically targeting noise and dust exposure.

12. Occupational Health and Safety Statistics

No major occupational disasters occurred in the Dyaco Taiwan area. Factories are also gradually adopting automatic machinery such as automatic sealing machines, automatic lifting platforms, automatic arms, etc., to reduce the chances of employees getting injuries. Pre-employment training is implemented to strengthen safety in each department, and training courses are held every quarter to reduce occupational hazards.

We implement pre-employment training and enhance safety supervision in each department. We conduct quarterly occupational safety training courses to effectively reduce the occurrence of disasters. We are committed to ongoing advocacy, on-site inspections, and a robust reporting system to ensure minimal personnel harm.

The internal Biotechnology Department has designed an auxiliary device for chair back covers that ensures consistent tension during the installation. This eliminates the need for manual labor and mitigates the risk of hand injuries.

13. Disaster Prevention

Dyaco holds fire drills twice a year to improve the emergency response capability of the employees and teach them the correct way to use fire-fighting equipment. The fire safety equipment is set up following the regulations and is regularly inspected. The inspection results are reported to the local fire department for future reference.

14. Occupational Hazard Statistics

In 2024, the company reported zero occupational injury cases, which is the same as the previous year. Department heads have effectively promoted safety awareness, reminding employees of important safety precautions, and will continue to reinforce these safety initiatives.

15. The safety measures implemented to protect the working environment and the well-being of employees in 2023 are as follows:

- (1) Preventing occupational disasters, protecting workers' health, avoiding physical and chemical hazards, providing employees with a healthy and comfortable working environment, and implementing regular monitoring of the working environment, with the operation site tested for dust, noise, etc. every six months.
- (2) Regular implementation of safety and health education and training
 - A. Pursuant to Articles 16 and 17 of the Occupational Safety and Health Education and Training Rules.
 - B. Implementing three hours of general safety and health education for new and transferred personnel.
 - C. Implementing three hours of in-service safety and health education training every three years.
 - D. Implementing various safety and health education and training (first aid workers, crane operators, forklift operators are dispatched for training and certification, etc.).
 - E. 498 hours of external training and 2,042.5 hours of internal training on workplace safety-related education and training in 2023.
- (3) Regular implementation of fire drills

Stepping up education on disaster prevention in factories, raising personnel's awareness of disaster prevention and preventing disasters, conducting regular fire-fighting drills, and implementing them every six months pursuant to Article 13 of the Fire Services Act and Article 15 of the Enforcement Rules of Fire Services Act.
- (4) Convening of the Occupational Safety and Health Committee

The Occupational Safety and Health Committee is convened on a quarterly basis to discuss, coordinate and recommend improving the working environment safety, occupational hazard prevention, safety facilities, material storage, workflow, education and training, and occupational health and safety policies and implementation guidelines to ensure the safety and health of all our employees.
- (5) Employee health check

The company provides employees with health check-ups every two years, which exceeds regulatory requirements. Recently, in August 2024, the company organized its annual health screening event, partnering with a medical institution accredited by the Ministry of Labor to conduct physical and health assessments. The annual participation rate exceeds 95%.

For employees with abnormal test results, a tiered follow-up approach is implemented. This includes arranging for medical professionals to provide on-site services, offering health education, health promotion, and hygiene guidance, as well as preventing and treating occupational and general illnesses. Health consultations are provided to prevent occupational diseases and ensure comprehensive employee health management.
- (6) Maternal Health Protection

The company regularly conducts hazard assessments and identification of risks in the workplace environment and operations. This includes evaluating work hazards at each work site as well as

individual risk assessments. When female employees report their pregnancy, the company arranges for a consultation with the company doctor to assess health risks and provide a risk classification. Educational information related to pregnancy and postpartum care is also provided.

To create a friendly and secure work environment, the company has set up a maternity rest area for pregnant employees to use during lunch breaks to enhance comfort. Additionally, a dedicated lactation room has been established to provide a warm, safe, and private space for female employees with breastfeeding needs.

(7) AED (Automated External Defibrillator) Installation

Both the Changhua Plant 1 and Plant 2 are equipped with AEDs. Regular AED operation training, CPR, and first aid seminars are conducted to strengthen workplace emergency response knowledge and safety protection.

(8) Third-party Certification

In 2023, the Company obtained the ISO 45001 certification issued by SGS, with a validity period from July 31, 2023, to July 31, 2026.

16. Gender Equality and Workplace Diversity

The average years of service for employees at the company is 15.3 years, with 40.18% of employees having over 10 years of service. This indicates that the company has a high proportion of experienced employees, which is beneficial for the company's stable growth and deepening of expertise.

In terms of gender distribution, male employees account for 64.11%, while female employees make up 35.89%. This difference is primarily due to the company's focus on manufacturing operations. Additionally, the proportion of female managers is approximately 28.57%. The company will continue to promote workplace diversity and equal opportunities for advancement.

4.5.2 List any losses suffered by the Company in the most recent fiscal years and up to the annual report publication date due to labor disputes, 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: None

4.6. Cyber security management

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

1. Organizational structure

To enhance information security management, the Information Security Section of the Information Department is responsible for the company-wide information security governance, planning, supervision and implementation, and builds a full range of information security defense capabilities and good information security awareness among staff. The Company reports to the Board of Directors at least once a year on issues related to information security risk management and the direction of execution.

2. Information security management mechanism and policy

The information security strategy is centered on three aspects: information security governance, law compliance, and technology application, ranging from system to technology, from personnel to organization, to comprehensively improve information security protection capability.

In view of the emerging trends in information security, such as DDoS (Distributed Denial of Service) attacks, ransomware, social engineering attacks, counterfeit websites, etc., we communicate with international information security firms every year, pay regular attention to information security issues and plan accordingly through project cooperation, and conduct DDoS, ATM and other attack and defense drills for different scenarios to strengthen the response ability of handling personnel in order to detect and block them without delay.

(1) Cyber security policies :

Cyber security policies		
Information security governance	<ul style="list-style-type: none"> • Refine management system • Manage risk and enhance prevention • Build a joint defense system 	Continually refine management systems, including enhanced education and training, information security infrastructure design, and reinforced protection techniques.
Legal compliance	<ul style="list-style-type: none"> • Regular review/revision • Establish a compliance cycle mechanism 	Establish a compliance cycle system to regularly review and revise internal practices to comply with international information security standards and overseas laws and regulations.
Technology application	<ul style="list-style-type: none"> • Internal and external data collection • Data analysis • Threat prediction and decision making 	Use new technologies to predict information security risks and make early security decisions.

(2) Concrete management programs, and investments in resources for cyber security management :

Item	Implementation Status
The handling of information security incidents that pose a threat	Due to the upgraded system with a multi-factor authentication mechanism, there has been no incident of email account theft. Regular verification of staff login information has been conducted, and all colleagues have been reminded to confirm the authenticity of suspicious emails from related vendors.
The prevention of attacks on company emails	Because of system upgrades, the number of fraudulent emails received by employees has been significantly reduced. To further address any occasional suspected fraudulent emails received by various departments, we have implemented information security measures to enhance employee detection of fraudulent emails. We have also implemented sandbox filtering to identify fraudulent behavior patterns and effectively block and prevent any company losses.
The upgrade of information security equipment	We updated the firmware for related network security devices, such as firewalls and network switches, and upgraded all company computer operating systems to Win10 or later, which will enhance our information security protection and optimize our network experience.

4.6.2 In the most recent year, and as of the printing date of the annual report, if the damages, possible effects, and response measures of major information security incidents cannot be reasonably estimated, the reason for being unable to provide a reasonable estimation should be explained: In the most recent year and as of the printing date of the annual report, no major information security incidents caused financial losses.

4.7. Important contracts

Nature of Contract	The parties	Term of Contract	Content	Restriction Clauses
Bank Loan	Bank SinoPac	2023.09-2026.09	Long-term Credit borrowings	None
Bank Loan	Mega Bank	2022.07-2027.07	Long-term Credit borrowings	None
Bank Loan	Taiwan Cooperative Bank	2024.12-2025.12	Long-term Credit borrowings	None
Bank Loan	Bank SinoPac	2015.11-2030.11	Long-term Secured borrowings	None
Bank Loan	Mega Bank	2020.02-2025.02	Long-term Secured borrowings	None
Bank Loan	Mega Bank	2022.07-2027.07	Long-term Secured borrowings	None
Bank Loan	Taishin Bank	2019.09-2034.06	Mid and Long-term Secured borrowings	None
Bank Loan	Taiwan Cooperative Bank	2018.11-2038.11	Long-term Secured borrowings	None
Bank Loan	Taiwan Cooperative Bank	2024.12-2025.12	Long-term Secured borrowings	None
Bank Loan	Taiwan Business Bank	2022.12-2032.12	Long-term Secured borrowings	None
Bank Loan	Taiwan Business Bank	2023.03-2028.03	Long-term Secured borrowings	None
Bank Loan	Taiwan Business Bank	2024.07-2029.06	Long-term Secured borrowings	None
Bank Loan	Cathay United	2022.04-2027.04	Long-term Secured borrowings	None
Bank Loan	First Horizon Bank	2022.12.11-2042.12.11	Long-term Secured borrowings	None

V. Review and Analysis of the Financial Statuses, Financial Performance, and Risk Management

5.1. Financial Position

The reasons for, and impact of, any significant change over the most recent 2 fiscal years in its assets, liabilities, or equity.

5.1.1 Comparative analysis of financial status:

Unit: NT\$1,000

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	5,113,911	5,016,004	(97,907)	(1.91)
Property, Plant and Equipment	3,755,859	3,934,280	178,421	4.75
Intangible Assets	1,315,161	1,318,107	2,946	0.22
Other Non-current Assets	1,104,243	855,407	(248,836)	22.53
Total Assets	11,289,174	11,123,798	(165,376)	(1.46)
Current Liabilities	4,081,683	3,923,853	(157,830)	(3.87)
Non-current Liabilities	2,435,814	2,239,364	(196,450)	(8.06)
Total Liabilities	6,517,497	6,172,217	(345,280)	(5.30)
Capital	1,596,097	1,671,420	75,323	4.72

Item \ Year	Year		Difference	
	2023	2024	Amount	%
Capital Surplus	2,756,721	2,684,014	(72,707)	(2.64)
Retained Earnings	555,650	628,320	72,670	13.08
Other Equity	(125,684)	(26,103)	99,581	79.23
Treasury Share	(408,690)	(408,690)	-	-
Non-controlling Interest	397,583	402,620	5,037	1.27
Total Equity	4,771,677	4,951,581	179,904	3.77

Analysis of changes in the proportion of increases or decreases (changes of 20% or more in the preceding and subsequent periods and amounting to NT\$10 million)

1. The difference in other non-current assets is due to the low likelihood of Morsel convertible bonds being converted into equity in the future, resulting in the full recognition of a loss and a decrease in assets.

2. The difference in other equity is due to exchange differences arising from the translation of financial statements of foreign subsidiaries

5.2. Financial Performance

The reasons for, and impact of, any significant change over the most recent 2 fiscal years in its operating revenues, operating income, or income before tax.

5.2.1 Comparative Analysis of Financial Performance

Unit: NT\$1,000

Item \ Year	Year		Increase (Decrease) Amount	Difference (%)
	2023	2024		
Net Operating Revenue	7,786,471	7,217,077	(569,394)	(7.31)
Operating Costs	5,119,386	4,639,826	(479,560)	(9.37)
Gross Profit	2,667,085	2,577,251	(89,834)	(3.37)
Operating Expenses	2,765,508	2,547,377	(218,131)	(7.89)
Other Operating Income and Expenses	(98,426)	29,874	128,300	130.35
Non-operating Income and Expenses	(71,008)	48,963	119,971	168.95
Profit before Income Tax	(169,431)	78,837	248,268	146.53
Income Tax Expense	(59,059)	8,954	68,013	115.16
Net Profit	(110,372)	69,883	180,255	163.32
Other Comprehensive Loss	(3,305)	110,915	114,220	3,455.98
Total Comprehensive Income	(113,677)	180,798	294,475	259.05

Analysis of changes in the proportion of increase or decrease (change of 20% or more and amounting to NT\$10 million)

1. Sales for the current period did not meet expectations, resulting in a corresponding decrease in operating revenue and cost. As a result, there was no significant change in gross profit. Additionally, a reduction in marketing-related expenses led to an operating profit for the period.

2. The change in non-operating income (expenses) was mainly due to the appreciation of the US dollar, which continued to generate foreign exchange gains.

3. The change in pre-tax net profit was primarily driven by a shift to operating profit, coupled with significant foreign exchange gains under non-operating items, resulting in a pre-tax profit for the year.

4. The change in income tax was due to the recognition of income tax expenses corresponding to the pre-tax profit.

5. The change in other comprehensive income was mainly due to increased exchange differences arising from the translation of financial statements of foreign operations.

6. The change in total comprehensive income was due to the net profit for the period and increased exchange differences from the translation of financial statements of foreign operations included in other comprehensive income.

A sales volume forecast and the basis therefore, the possible impact on the Company's future financial operations and its response plans

The Company expects its sales volume to increase in the coming year based on changes in the general economic environment, industry trends and the Company's future development direction, as well as the operating targets set by the Company with reference to its operating situation over the years. It is expected that, driven by continued growth in sales volume and the aggressive enhancement of product yields and brand benefits, the Company can improve profitability by reducing production costs and increasing its competitiveness and market share.

5.3. Cash Flows

5.3.1 Analysis of Changes in Consolidated Cash Flow Over the Last Two Years

Unit: NT\$1,000

Item \ Year	Year		Increase (Decrease) Amount	Difference (%)
	2023	2024		
Beginning Cash and Cash Equivalents	1,120,781	1,158,512	37,731	3.37
Net Cash Inflow from Operating Activities	616,610	492,260	(123,960)	(20.10)
Net Cash Outflow from Investing Activities	(166,508)	(217,256)	(50,748)	30.48
Net Cash Outflow from Financing Activities	(397,456)	(314,410)	(83,046)	(20.89)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(14,915)	40,138	55,053	369.11
Ending Cash and Cash Equivalents Balance	1,158,512	1,159,244	732	0.06

Analysis of Changes Exceeding 20% in Percentage:

- Operating Activities: The main reason was that the decrease in inventory in 2024 was lower than in 2023, resulting in a decline in net cash inflow from operating activities compared to the previous period.
- Investing Activities: The main reason is that the disposal of restricted bank deposits in 2024 was lower than in 2023, coupled with ongoing construction expenses, resulting in an increase in net cash outflow from investing activities compared to the previous period.
- Financing Activities: The main reason is that in 2023, the company repaid corporate bonds, resulting in a higher net cash outflow from financing activities compared to 2024.

5.3.2 Analysis of Changes in Individual Cash Flow Over the Last Two Years

Unit: NT\$1,000

Item \ Year	Year		Increase (Decrease) Amount	Difference (%)
	2023	2024		
Beginning Cash and Cash Equivalents	465,110	405,404	(24,706)	(5.31)
Net Cash Inflow from Operating Activities	589,603	774,903	185,300	31.43
Net Cash Outflow from Investing Activities	(329,444)	(709,721)	(380,277)	115.43
Net Cash Outflow from Financing Activities	(280,293)	(3,025)	(277,268)	(98.92)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,889)	(4,572)	1,683	(36.81)
Ending Cash and Cash Equivalents Balance	440,404	499,672	59,268	13.46

Analysis of Changes Exceeding 20% in Percentage:

- Operating Activities: The main reason is that in 2024, the decrease in accounts receivable from related parties was higher than in 2023, resulting in an increase in net cash inflow from operating activities compared to the previous period
- Investing Activities: The main reason is that in 2024, the company acquired land and built a factory, leading to a higher net cash outflow from investing activities compared to the previous period.
- Financing Activities: The main reason is that in 2023, the company repaid corporate bonds, resulting in a higher net cash outflow from financing activities compared to 2024.

5.3.3 Cash Flow Analysis for the Upcoming Year

Unit: NT\$1,000

Beginning cash balance (1)	Estimated net cash flow from operating activities (2)	Estimated Total Cash Outflow for the Year (Note)	Estimated Remaining Cash Balance (Note)	Remedial measures for cash deficit	
				Investment plan	Financial plan
1,159,244	562,647	653,253	1,068,638	-	-

The above table contains consolidated information.

- Operating Activities: The net cash flow from operating activities in 2024 is expected to remain stable.
- Investing Activities: The net cash outflow from investing activities in 2024 is expected to primarily consist of payments related to the Dajia No. 2 plant and the new plant in Thailand.
- Financing Activities: It is expected that in 2024, cash dividends will be paid.

5.4. Effect of Major Capital Spending on Financial Position and Business Operations:

5.4.1 Utilization of Significant Capital Expenditures and Sources of Funding

Unit: NT\$1,000

Project Item	Actual or Expected Source of Funds	Actual or Expected Completion Date	Actual or Expected Use of Funds	
			2024(Actual)	2025(Expected)
Dajia No. 2 Plant	Bank Loans and Own Funds	2024Q4	112,076	295,430
Thailand Factory Construction	Bank Loans and Own Funds	2025Q2	-	488,789

5.4.2 Expected Impact on Operations

1. The company's electric bicycle assembly plant is vertically integrated and plans to produce frames in-house at the Dajia No. 2 Plant. This will help strengthen supply chain control, improve gross margins, and shorten delivery cycles. By using proprietary technology to create product differentiation, the company aims to enhance brand value and market competitiveness. Although there will be challenges in the early stages, such as high investment, technical learning curves, and production stability, the long-term benefits include significantly reduced production costs through process optimization and economies of scale, supporting stable growth for the electric bicycle business.
2. The Thailand plant construction plan offers significant advantages in cost optimization and market competitiveness. It is expected to support the company's growth needs for the next 10 years and provide more flexibility and stability in supply chain management.

5.5. Investment Policy in The Most Recent Year, Profit/Loss Analysis, Improvement Plans, and Investment Plans for The Coming Year

The company's investment policy follows its business management policies and development strategies, seeking complementary resources and strengthening core capabilities. This approach aims to solidify and expand existing core businesses while also accelerating the exploration of new services and market opportunities to achieve the company's vision.

In the company's 2024 consolidated financial report, the investment loss recognized under the equity method was NT\$281,639 thousand. This loss was primarily due to some of the invested companies experiencing a decline in profitability or impairment of assets as a result of market demand fluctuations.

Overall, the company will continue to drive strategic integration and development of its investments to achieve the initial investment goals and synergies. The company will also continuously evaluate the strategic and financial performance of these investments, and if necessary, implement an exit and liquidation mechanism

5.6. Risk Analysis and Assessment

5.6.1 The effect upon the Company's profits/losses of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Changes in interest rates:

Unit: NT\$1,000; %

Item	Year	2023	2024
Interest Income (Expense)		(84,490)	(83,933)
Profit (Loss) before Income Tax		(169,431)	78,837
Interest Income (Expense) to Profit (Loss) before Tax (%)		49.87	(106.46)

The Company's interest expense is incurred as a result of bank loans in the operating activities. The net interest income and expense for 2023 and 2024 were (NT\$84,490) thousand and (NT\$83,933) thousand, respectively, which constituted for 49.87% and (106.46)% of the Company's net profit (loss) before income tax. Changes in interest rates have an impact on the Company's profitability to some extent. The Company's interest expense increased in 2023 due to increased bank borrowings required for operations. To avoid the impact of interest rate fluctuations on the Company's financing costs, the Company has kept a watchful eye on interest rate movements and maintained good relations with banks to obtain more favorable interest rates, and has observed the effects of interest rate changes in the financial market on the Company's funds in order to take flexible measures, so the changes in interest rates will not have a significant impact on the Company's profit or loss.

2. Exchange rate fluctuations

Unit: NT\$1,000; %

Item	Year	2023	2024
	Exchange Gain (Loss)		15,117
Profit (Loss) before Income Tax		(169,431)	78,837
Exchange Gain (Loss) to Profit (Loss) before Tax (%)		(8.92%)	233.13%

The Company's products are largely exported, and most of them are traded in U.S. dollars, while most of the production costs are traded in NT dollars, so changes in the U.S. dollar exchange rate have a certain degree of impact on the Company's profitability. The Company's specific measures in response to exchange rate fluctuations are as follows:

- (1) The Company's financial personnel maintain close contact with banks, collect information on exchange rates, seek favorable selling points with reference to bank quotes, and conduct appropriate foreign exchange operations to avoid losses due to exchange rate fluctuations.
- (2) When offering prices to customers, business units should take into account the trend of exchange rates and offer more stable prices so as to avoid exchange rate fluctuations from eroding the Company's profit.

3. Changes in the inflation rate

The Company's main raw materials are steel, plastics and hardware, etc. The price of raw materials is highly correlated with the international oil price; therefore, the price fluctuation will affect the Company's production costs. The Company is always mindful of market price fluctuations, planning for the timing of purchases and safety stock, and maintaining good relationships with suppliers to minimize the impact of inflation.

5.6.2 The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. The Company's financial operations are conservative and prudent and it does not engage in high-risk, highly leveraged investments.
2. The Company's loaning of funds, endorsements/guarantees are processed in accordance with its "Procedures Governing Loaning of Funds and Making of Endorsements/Guarantees" and the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies."
3. The Company engages in derivatives transactions in accordance with its "Procedures for the Acquisition or Disposal of Assets" for the purpose of hedging the risk of fluctuations in exchange rates of foreign currency assets or liabilities.

5.6.3 Research and development work to be carried out in the future, and further expenditures expected for research and development work:

1. The Company's future product technology development and design direction are as follows.
 - (1) Expediting the entry into medical rehabilitation and health aids products.
 - (2) Upgrading independent new technology development design, strengthening patent protection

and increasing the profitability of product sales.

(3) Expanding the product appearance designer lineup and increasing the business sales options.

(4) In-house frame production.

(5) Development of integrated smart devices for batteries and motor control.

(6) Product design and enhancement of skills for mechanical and ergonomics engineers.

2. In the future, it is expected that the R&D expenses committed will be adjusted according to the product development schedules and plans and the operational conditions and will account for approximately 1% to 2% of the total revenue in 2024.

5.6.4 Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company not only complies with the relevant domestic and foreign laws and regulations in its daily operations, but also keeps a close watch on domestic and overseas policy trends and regulatory changes in order to fully keep abreast of and respond to changes in the market environment. To date, the Company's financial operations have not been materially affected by changes in domestic or foreign policies or laws.

5.6.5 Effect on the Company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response:

1. In addition to keeping an eye on the technological changes and technological developments in the industries in which the Company operates, and keeping abreast of the latest trends in the industry through close cooperation with customers, the Company is constantly enhancing its own R&D capabilities, protecting various innovative concepts and designs by patent applications, and actively expanding its market application areas in the future, so that technological and industrial changes have no negative impact on the Company.

2. Information security risk management framework, information security policy, specific management solutions, and spend efforts on information security. Please refer to 5.6 .

3. In the most recent year, and as of the printing date of the annual report, if the damages, possible effects, and response measures of major information security incidents cannot be reasonably estimated, the reason for being unable to provide a reasonable estimation should be explained: In the most recent year and as of the printing date of the annual report, no major information security incidents caused financial losses.

5.6.6 Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response:

Since its incorporation, the Company has concentrated on its business operations, product development, internal management and compliance with relevant laws and regulations; so far, no incidents have occurred that have affected its corporate image. In the future, it will follow all relevant laws and regulations and focus on the maintenance of corporate image.

5.6.7 Expected benefits and possible risks associated with any merger and acquisitions, and measures to be taken in response:

As of the most recent fiscal year and up to the printing date of the Annual Report, the Company

has no plans for mergers or acquisitions. However, should there be any such plans in the future, the Company will adhere to its Procedures for the Acquisition and Disposal of Assets, Procedures for the Prevention of Insider Trading, and relevant legal regulations. It will adopt a cautious assessment approach to ensure the protection of company interests and shareholders' rights.

5.6.8 Expected Benefits, Potential Risks, and Mitigation Measures of Plant Expansion:

With the global push for energy policies and the rising awareness of environmental sustainability, the electric-assist bicycle industry has been developing rapidly worldwide. Recognizing this market opportunity, our company decided in early 2022 to expand from our original focus on indoor fitness equipment into the electric-assist bicycle sector. We established a new factory in Dajia, Taichung, dedicated to producing electric-assist bicycles under our own brand, Cikada. These products are promoted and sold through our group' s existing distribution channels across Europe and North America.

In addition, establishing a manufacturing facility in Thailand will effectively reduce labor and operational costs, enhance production efficiency, and strengthen the company' s gross margin structure. It will also serve as a vital foundation for supporting business growth over the next decade. Through diversified regional deployment, the company will gain greater flexibility and risk dispersion in supply chain management, helping to improve operational stability and overall competitive advantage.

5.6.9 Risks associated with concentration of sales or purchasing operations, and measures to be taken in response:

1. Purchasing

The Company maintains more than two suppliers of raw materials and keeps a close eye on market dynamics, actively develops other suppliers to reduce the risk of overconcentration of sources of supply, and maintains good cooperative relationships with all suppliers to ensure stable sources of supply.

2. Sales

North America is a major market in the global fitness equipment industry, accounting for more than one-half of the global output value. The Company mainly sells its own brands and it has taken relevant measures to reduce the risk of concentration of sales:

- (1) To actively participate in international exhibitions in order to enhance the Company's visibility and awareness in the international market, and to seek international quality customers to represent the Company's products or to commission development and production of our products.
- (2) Proactive research and development to expand product lines and applications, including the development of medical rehabilitation and health aids, products for senior citizens and people with mobility impairments, as well as the enhancement of product technology and functionality.
- (3) To reduce the concentration of customers by actively exploring global markets and developing new customers, including setting up a sales company in Shanghai, China, and securing agents in various countries through sharing marketing resources.
- (4) Proactively promote own brands and launch a variety of own brands to capture overseas business

opportunities. We currently own the global best-selling brand Spirit, emerging brands Fuel and Xterra, and the top fitness equipment brand SOLE.

5.6.10 The impact, risks and countermeasures of any substantial transfer or replacement of equity interests in the Company by directors, supervisors or substantial shareholders holding more than 10% of the shares:

There was no substantial transfer of shareholding of the Company's directors, supervisors or substantial shareholders holding more than 10% of the Company's shares during the most recent year or during the current year up to the date of publication of the annual report.

5.6.11 Impact of change in management rights on the Company, associated risks and response measures:

There was no change in the Company's operation as a result of the change in management rights during the most recent year or during the current year up to the date of publication of the annual report.

5.6.12 Litigious and non-litigious matters

1. If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that was finalized or remained pending during the most recent 2 fiscal years or during the current fiscal year up to the annual report publication date, the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case shall be disclosed: None.
2. If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company director, supervisor, general manager, de facto responsible person, or major shareholder with a stake of more than 10 percent, and the matter was finalized or remained pending during the most recent 2 fiscal years or during the current fiscal year up to the annual report publication date, the information shall be disclosed: None.

5.6.13 the major risks and response measures: None.

5.7. Other Important Matters: None.

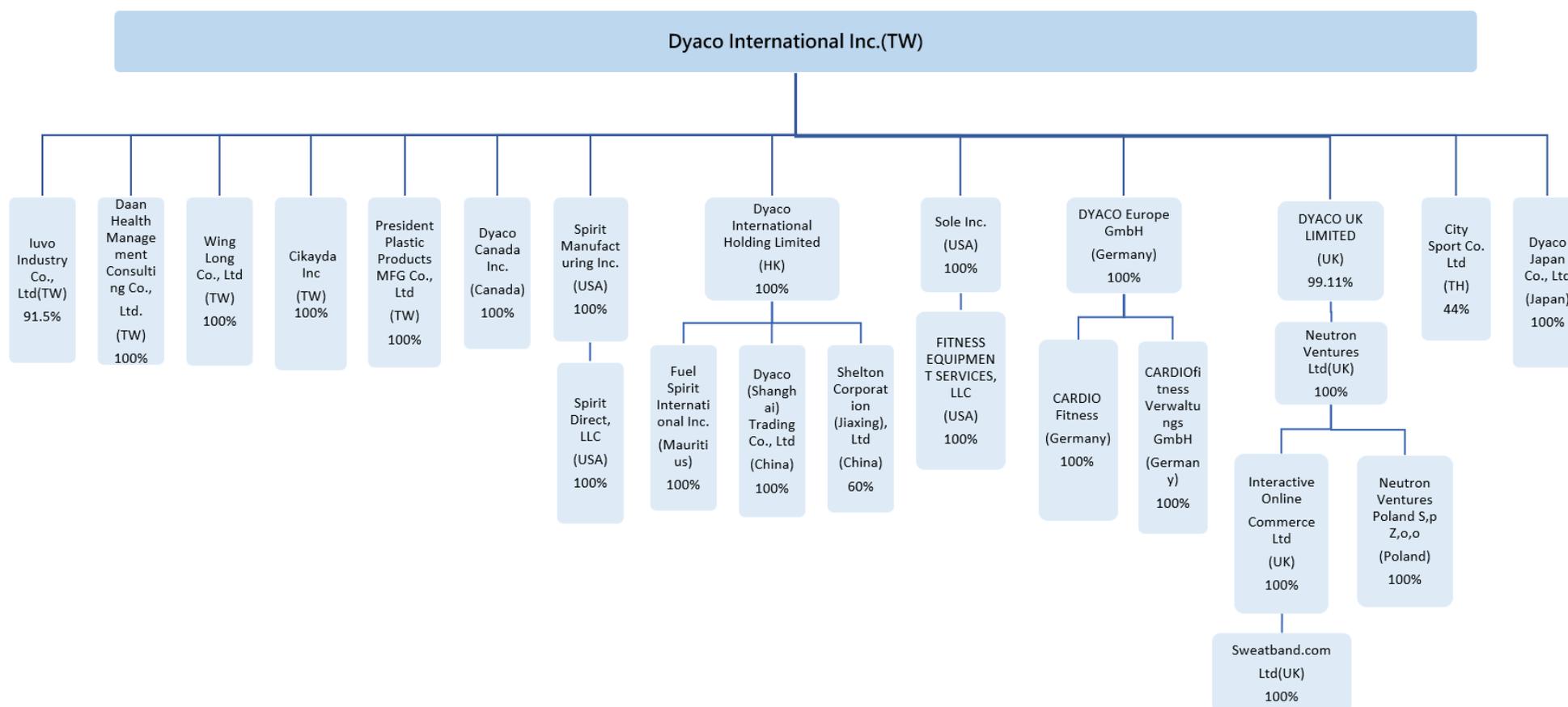
VI. Special Notes

6.1. Profiles of Affiliated Enterprises

6.1.1 Consolidated operating report of affiliated enterprises

1. Organizational chart of affiliated enterprises

December 31, 2024



2. Information on affiliated enterprises:

Name	Date of Establishment	Address	Paid-in Capital	Main business and products
Dyaco International Holding Limited	2007.10.18	FLAT B,6/F.,TEDA BUILDING, 87 WING LOK STREET,SHEUNG WAN,HONG KONG	HKD 126,415,463	Investment
Fuel-Spirit International Inc.	2007.01.25	4th Floor,Amod Building,19 Poudriere Street,Port Louis,Mauritius	USD 5,848,456	Investment and sales of fitness equipment
Dyaco Canada Inc.	2013.07.01	5955 Don Murie Street Niagara Falls, Ontario L2G 0A9	CAD 1,000	Sales of fitness equipment
Spirit Manufacturing Inc.	2008.01.01	3000 Nestle Rd. Jonesboro,AR,U.S.A.	USD 41,687.5	Sales of fitness equipment
Spirit Direct LLC.	2013.01.29	22900 VENTURA BLVD STE 255 WOODLAND HILLS CA 91364	USD 2,000,000	Sales of fitness equipment
Dyaco (Shanghai) Trading Co., LTD.	2010.07.28	Room 601, 6F, Block A, No. 125, Shijie Road, Yangpu District, Shanghai	USD 3,000,000	Sales of fitness equipment
Shelton Corporation (Jiaxing), LTD	2002.11.14	No. 1058, Changsheng East Road, Jingji Technology Development Area, Jiaxing City, Zhejiang Province	USD 18,800,000	Sales and manufacturing of outdoor furniture and fitness equipment
Daan Health Management Consulting Co., Ltd.	2015.12.18	12F., No.111, Songjiang Rd., Taipei City	TWD 10,000,000	Health management consultation and leasing of rehabilitation equipment
Dyaco Japan Co., Ltd.	2012.09.18	6-24-7, Nishikasai, Edogawa-ku, Tokyo	JPY 30,000,000	Sales of fitness equipment
Wing Long Co., Ltd.	2018.06.27	12F., No.111, Songjiang Rd., Taipei City	TWD 25,000,000	Sales of alcoholic drinks
Dyaco UK, Ltd.	2018.03.05	Unit 5 Featherstone Road Mill Square, Wolverton Mill, Milton Keynes, Bucks, MK12 5ZD	GBP 3,201,533	Sales of fitness equipment
Dyaco Europe GmbH	2014.06.26	Technologiepark Bergisch Gladbach Haus 56,Friedrich-Ebert-Straße 75,51429 Bergisch Gladbach	EUR 500,000	Sales of fitness equipment
CARDIO Fitness GmbH &CO. KG	2002.11.14	Industriestr. 154, 50996 Köln, Germany	EUR 41,000	Sales of fitness equipment
CARDIO Fitness Verwaltungs GmbH	2009.11.11	Industriestr. 154, 50996 Köln, Germany	EUR 25,000	Investment
Cikayda Inc.	2021.04.09	12F., No.111, Songjiang Rd., Taipei City	TWD 20,000,000	Management consultation
Sole Inc.	2019.11.27	56 E Exchange P1, Salt Lake City, UT 84111	USD 53,000,000	Investment
Fitness Equipment Service, LLC	2001.08.23	56 E Exchange P1, Salt Lake City, UT 84111	USD 2,100,000	Sales of fitness equipment
President Plastic Products MFG. Co., Ltd.	1967.10.24	31F., No. 213, Chaofu Rd., Xitun Dist., Taichung City	TWD 39,100,000	Real estate lease
Neutron Ventures Ltd	2008.04.17	C/o Sweatband.com, 94 Cleveland Street, London, England, W1T 6NW	GBP 146	Investment
Interactive Online Commerce Ltd	2008.09.02	C/o Sweatband.com, 94 Cleveland Street, London, England, W1T 6NW	GBP 25,818	Investment
Neutron Ventures Poland S,p Z,o,o	2009.10.15	Ul. Piotrkowska 60-2.12-2.18, 90-105 Łódź, Woj. łódzkie	PLN 5,000	Management consultation
Sweatband.com Ltd	1995.11.29	94 Cleveland Street, London, England, W1T 6NW	GBP 1,593	Sales of fitness equipment
City Sport Co. Ltd	2001.10.19	18/28 Moo 9 Khlong Lam Chiak Road, Bung Kum, Thailand	THB 40,000,000	Sales of fitness equipment

Name	Date of Establishment	Address	Paid-in Capital	Main business and products
IUVO INDUSTRY CO.,LTD.	2000.01.14	No.460-1 Zhongsan Road Sec. 1, Tachia Dist.,Taichung City	TWD 200,000,000	Sales and manufacturing of electricity-assisted bike

3. Information on the shareholders of the companies shall be concluded as the existence of the controlling and subordinate relation: None.

4. Industries covered by the operations of all affiliates: Industries covered by the overall related business operations: The main business operations of the Company and most related companies are research and development, manufacturing, and sales in the fitness equipment industry. Some affiliated companies are engaged in outdoor furniture manufacturing, e-bike manufacturing, liquor trading, and real estate leasing.

5. Information of Directors, Supervisors, and Presidents of affiliates:

Name	Title	Name or Representative	Shares hold	
			Share	Share
Dyaco International Holding Limited	Director	Lin, Ing-Gin	Dyaco holds 126,415,463 shares	100%
Fuel-Spirit International Inc.	Director	Lin, Ing-Gin	Dyaco Holding holds 5,848,456 shares	100%
Dyaco Europe GmbH	Director	Lin, Ing-Gin	Dyaco invests EUR16,400,000	100%
CARDIO Fitness GmbH &CO. KG	Representative	Ting, Ping-I	Dyaco invests EUR8,096,000	100%
CARDIO Fitness Verwaltungs GmbH	Representative	Ting, Ping-I	Dyaco invests EUR26,000	100%
Dyaco UK, Ltd.	Director	Lin, Ing-Gin	Dyaco holds 3,088,076 shares	100%
Spirit Manufacturing Inc.	President	Chen, Ting-Chung	Dyaco holds 1,667.5 shares	100%
Spirit Direct LLC	Representative	John Gibbs	Spirit invests USD2,000,000	100%
Sole Inc.	Director	Chen, Ting-Chung	Dyaco invests USD31,490,000	100%
Fitness Equipment Service, LLC	Representative	William Macfarlane	Sole Inc. invests USD2,100,000	100%
Dyaco Canada Inc.	Chairman	Michael Thorne	Dyaco holds 1,000 shares	100%
	Director	Lin, Ing-Gin		
Dyaco Japan Co., Ltd.	President	Naitou Jin	Dyaco holds 201,020 shares	100%
Dyaco (Shanghai) Trading Co., LTD.	Chairman	Chen, Hsien-Ming	Dyaco Holding invests USD3,000,000	100%
	Director	Wang, Shun-Chien and Lin, Ing-Gin		
	Supervisor	Wu, Mei-Hua		
Dyaco Health Technology (Beijing) Co., Ltd.	Representative	Huang, Kuo-I	Dyaco (Shanghai) invests RMB3,500,000	100%
Shelton Corporation (Jiaying), LTD	Representative	Tzeng, Huei-Feng	Dyaco Holding invests USD21,830,000	60%
Wing Long Co., Ltd.	Chairman	Lin, Ing-Gin	Dyaco holds 2,500,000 shares	100%
	Director	Wu, Mei-Hua and Chen, Hsien-Ming		
	Supervisor	Chiu, Yuan-Sheng		
President Plastic Products MFG. Co., Ltd.	Chairman	Lin, Ing-Gin	Dyaco holds 391,000 shares	100%
	Supervisor	Wu, Mei-Hua		
Daan Health Management Consulting Co., Ltd.	Chairman	Wu, Mei-Hua	Dyaco holds 1,000,000 shares	100%
	Director	Lin, Shih-Chieh and Chen, Hsien-Ming		
	Supervisor	Chiu, Yuan-Sheng		
Neutron Ventures Ltd	Director	Maziar Darvish Pierre Jean · De Villiers · Lin, Ing-Gin · Ting, Ping-I · Daen Jackson	Dyaco UK holds 308,070 shares	100%

Name	Title	Name or Representative	Shares hold	
			Share	Share
Interactive Online Commerce Ltd	Director	Maziar Darvish 、 Pierre Jean 、 De Villiers	Dyaco invests GBP2,632,000	100%
Sweatband.com Ltd	Director	Maziar Darvish Pierre Jean De Villiers	Dyaco invests GBP2,604,000	100%
Neutron Ventures Poland S,p Z,o,o	Representative	Maziar Darvish	Neutron Ventures invests PLN5,000	100%
City Sport Co. Ltd	Director	Liu, I-Chen	Dyaco holds 176,000 shares	44%
Cikayda Inc.	Chairman	Lin, Ing-Gin	Dyaco holds 2,000,000 shares	100%
	Director	Chiu, Yuan-Shen and Ho, Chieh-Shun		
IUVO INDUSTRY CO.,LTD.	Chairman	Lin, Ing-Gin	Dyaco holds 18,300,000 shares	92%
	Director	Chen, Ming-Nan 、 Huang, chih-Yuan 、 Ting, Ping-I		
	Supervisor	Hsu, Wen-Bin		

6. Affiliated enterprises' operational review in 2024

Name	Capital	Total Assets	Total Liabilites	Net Worth	Operating Revenue	Operating Profit	Current Profit and Loss (After Tax)	EPS
Dyaco Holding Limited	HKD 126,415,463	HKD 251,157,885	HKD 456,516	HKD 250,701,369	HKD -	HKD 569,472	HKD 8,018,675	HKD 0.63
Fuel-Spirit International Inc.	USD 5,848,456	USD 5,194,904	USD 2,075,943	USD 3,118,961	USD 7,070,433	USD 62,875	USD 191,743	USD 0.0328
Dyaco Europe GmbH	EUR 500,000	EUR 4,526,168	EUR 1,126,594	EUR 3,399,574	EUR 1,728,684	EUR (477,130)	EUR (1,435,116)	N/A
CARDIO Fitness GmbH &CO. KG	EUR 41,000	EUR 3,752,333	EUR 3,586,449	EUR 165,884	EUR 9,029,146	EUR (1,575,210)	EUR (1,096,448)	N/A
CARDIO Fitness Verwaltungs GmbH	EUR 25,000	EUR 27,521	EUR 2,863	EUR 24,658	EUR 1,500	EUR (2,662)	EUR (2,662)	N/A
Dyaco UK, Ltd.	GBP 3,201,533	GBP 6,632,556	GBP 5,998,548	GBP 634,008	GBP 6,715,801	GBP (1,148,898)	GBP (2,914,004)	N/A
Spirit Manufacturing Inc.	USD 41,688	USD 38,040,173	USD 24,979,692	USD 13,060,481	USD 443,430,822	USD 1466,262	USD 354,398	USD 8.50
Spirit Direct LLC	USD 2,000,000	USD 2,849,880	USD 4,118,504	USD (1,268,624)	USD 2,100,662	USD (740,269)	USD (737,171)	N/A
Sole Inc.	USD 53,000,000	USD (6,540,737)	USD -	USD (6,540,737)	USD -	USD -	USD (3,213,689)	N/A
Fitness Equipment Service, LLC	USD 2,100,000	USD 49,328,186	USD 55,868,923	USD (6,540,737)	USD 82,075,503	USD (3,531,601)	USD (3,402,927)	N/A
Dyaco Canada Inc.	CAD 1,000	CAD 16,461,004	CAD 6,372,166	CAD 10,088,838	CAD 21,322,589	CAD 354,076	CAD 301,015	CAD 301.02
Neutron Ventures Ltd	GBP 146	GBP 52,600	GBP 219,318	GBP (166,718)	GBP -	GBP (282)	GBP (1,655,353)	N/A
Interactive Online Commerce Ltd	GBP 25,818	GBP 265,231	GBP 212,839	GBP 52,392	GBP -	GBP -	GBP (1,643,529)	N/A
Neutron Ventures Poland S,p Z.o.o	PLN 5,000	PLN 257,422	PLN 277,624	PLN (20,202)	PLN 2,765,641	PLN (92,020)	PLN (60,908)	N/A
Sweatband.com Ltd	GBP 1,593	GBP 5,175,855	GBP 5,128,817	GBP 47,038	GBP 12,147,174	GBP (1,622,238)	GBP (1,643,529)	N/A
CITY SPORTS (THAILAND)CO.,LTD.	THB 40,000,000	THB 27,336,584	THB 56,288,361	THB (28,951,777)	THB 12,702,354	THB (11,362,899)	THB (9,297,586)	N/A
Dyaco Japan Co., Ltd.	JPY 30,000,000	JPY 126,482,829	JPY 223,585,268	JPY (97,102,439)	JPY 82,778,181	JPY (59,206,951)	JPY (78,045,948)	JPY (2.60)
Dyaco (Shanghai) Trading Co., LTD.	RMB 19,307,950	RMB 45,620,130	RMB 15,451,051	RMB 30,169,079	RMB 38,953,161	RMB 3,266,272	RMB 3,165,261	N/A

Shelton Corporation (Jiaxing), LTD	RMB 151,913,772	RMB 303,240,257	RMB 136,592,189	RMB 166,648,068	RMB 350,506,954	RMB 6,407,200	RMB 6,080,184	N/A
President Plastic Products MFG. Co., Ltd.	TWD 39,100,000	TWD 38,770,009	TWD 900,000	TWD 37,870,009	TWD -	TWD (454,102)	TWD (62,400)	TWD 0.016
Wing Long Co., Ltd.	TWD 25,000,000	TWD 8,337,318	TWD 5,094,859	TWD 3,242,459	TWD 2,679,638	TWD (2,269,211)	TWD (1,715,812)	TWD (0.69)
Cikayda Inc.	TWD 20,000,000	TWD 16,965,117	TWD 457,482	TWD 16,507,635	TWD 600,000	TWD (832,100)	TWD (788,958)	TWD (0.3945)
Daan Health Management Consulting Co., Ltd.	TWD 10,000,000	TWD 8,537,709	TWD 12,042	TWD 8,525,667	TWD 404,765	TWD (344,869)	TWD (286,578)	TWD (0.2866)
IUVO INDUSTRY CO.,LTD.	TWD 200,000,000	TWD 260,797,520	TWD 232,794,663	TWD 28,002,857	TWD 83,962,515	TWD (25,187,222)	TWD (32,060,514)	TWD (1.60)

6.1.2 Consolidated financial statements of affiliated enterprises: Please refer to

<https://doc.twse.com.tw/server->

[java/t57sb01?step=1&colorchg=1&co_id=1598&year=113&seamon=&mtype=A&](https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=1598&year=113&seamon=&mtype=A&)

6.1.3 Affiliation report: None.

6.2. Private placement of securities during the most recent year or during the current year up to the date of publication of the annual report: None.

6.3. Other supplemental information: None.

VII. Matters, if any, that may materially affect shareholders' interests or the price of securities under Article 36, paragraph 2, subparagraph 2 of the Securities and Exchange Act during the most recent year or during the current year up to the date of publication of the annual report: None.

Stock code: 1598

Dyaco International Inc.
岱宇國際股份有限公司