

dyaco

岱宇國際

Stock code: 1598

Dyaco International Inc.
岱宇國際股份有限公司

2025 ANNUAL REPORTS



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DATE OF PUBLICATION: Mar 31, 2026

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- **The names of the certified public accountants who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of the accounting firm to which they belong.**

CPA : Mr. Chen, Chung-Che and Ms. Tsou, Yi-Yun
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- **Overseas Securities exchange : None**

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

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I. Letter to Shareholders

Dear shareholders:

In 2025, the global fitness equipment industry faced severe challenges as consumer demand remained sluggish due to the lingering effects of high interest rates, global inflation, and the weak post-pandemic economic recovery in China.

Despite these external hardships, the Company actively pursued a strategic transformation. By adopting a "Profitability First" approach, we proactively optimized our product portfolio and focused on high-value-added offerings. Although the revenue scale for 2025 resulted in a loss—primarily due to market corrections and the recognition of significant asset impairments—these measures have laid a more stable foundation for operations to return to track in 2026.

Looking ahead to 2026, we expect operational performance to recover gradually as market inventory adjustments conclude and the all-new SOLE series launches in the first quarter. Furthermore, the commercial fitness equipment and electric-assisted bicycle (E-bike) segments are poised for significant growth, serving as key drivers for the Group's momentum.

A summary of the Company's 2025 operating results, the 2026 business plan, and our future development strategies is provided below:

1.1 The Business of 2025

1.1.1 Business Plan Implementation Results

In 2025, the demand for home fitness equipment was impacted by sluggish global consumption and issues surrounding U.S. tariffs. Coupled with the Company's proactive strategy to phase out low-margin products, the annual consolidated revenue totaled NT\$6.121 billion, representing a 15% decrease compared to 2024.

To strengthen our financial health, the Company recognized significant non-recurring expenses this year, including inventory write-downs, expected credit losses, and goodwill impairment. As a result, the net loss attributable to owners of the parent company was NT\$561 million, with an earnings per share (EPS) of -NT\$3.35.

1.1.2 Budget Implementation Status

There was a significant discrepancy between the actual revenue and profitability metrics for 2025 and the original forecasts. This was primarily driven by the impact of macroeconomic factors on revenue achievement rates, as well as the recognition of large-scale asset impairments conducted to optimize future operational efficiency.

1.1.3 Financial Income and Profit Analysis

1.1.4

1. Financial Income

		Unit: NT \$1,000	
Item		Year	
		2024	2025
Financial Income	Operating Revenue	7,217,077	6,121,041
	Gross Profit	2,577,251	3,918,469
	Operating Income (Loss)	29,874	(413,908)
	Non-operating Income and Expenses	48,963	(364,733)
	Profit (Loss) Before Tax	78,837	(778,641)
	Net Profit (Loss) for the Period	69,883	(629,356)
	Net Income Attributable to Owners of the Parent	71,952	(561,449)
Profitability analysis	Return on Assets (ROA) (%)	1.32	-5.13
	Return on Equity (ROE) (%)	1.44	-13.36
	Pre-tax Profit to Paid-in Capital Ratio (%)	4.72	-43.47
	Net Profit Margin (%)	0.97	-10.28
	Earnings Per Share (EPS) (NTD)	0.45	-3.35

1.1.5 Research and Development Status

The Company's R&D strategy is centered on the integrated development of our internal R&D team, domestic upstream suppliers, market demand, and research institutions. By leveraging our marketing team's proximity to markets and customers, we gain deep insights into product trends and new technological applications to drive product and technology development. When necessary, we engage external consultants and collaborate with academic and research institutions on technical projects. This approach ensures that our overall product development is more efficient and effective than that of our competitors.

In 2025, our core R&D efforts focused on upgrading commercial product lines and diversifying E-bike offerings. Key achievements include:

1. Commercial & Strength Training Series: Launched the Spirit Commercial 1000 series and the Smart Gym intelligent fitness system, while completing electronic console upgrades for the 900 series.
2. Electric-Assisted Bicycles (E-bikes): Completed the development of the City & Touring series under the Cikada brand, and progressed with various model developments for automotive OEM clients.
3. Medical Rehabilitation: Continued to advance integration technologies for medical-grade gait and balance analysis treadmills and rehabilitation assistive devices.

1.2 Summary of the business plan 2025

1.2.1 Management Policy

1. Upholding Core Values & Human-Centric R&D: Guided by our core principles of "Brand, Service, and Innovation," we integrate a human-centric philosophy into every stage of development. We are dedicated to providing intuitive, comfortable, and safe products that continuously elevate the exercise experience and leisure quality of life for consumers worldwide.
2. Deepening Brand Conviction & Global Partnerships: We deliver brand beliefs and after-sales service values that transcend the hardware itself, while cultivating long-term global partnerships. Within this framework, we strive to consistently expand the international market share of our proprietary brands—SOLE, SPIRIT, and XTERRA—as well as our licensed brand, UFC.
3. Spearheading Diversification & New Business Growth: We are accelerating the global promotion and production-sales integration of our e-bike brand, CIKADA. Simultaneously, we are strengthening strategic marketing and channel distribution for the UFC brand and venturing into medical technology to develop professional physical therapy and geriatric rehabilitation equipment.
4. Optimizing Management & Cross-Domain R&D: By gaining deep market insights and executing pivotal decisions, we enhance group-wide synergies through technological innovation and the digitalization of operational workflows (such as the implementation of electronic signature systems). Furthermore, we are deepening industry-academic collaborations to extend our R&D expertise into the medical field—developing assistive devices for the elderly and those with limited mobility—thereby fulfilling our corporate social responsibility to promote health and quality of life for all.

1.2.2 Marketing Policy

1. Develop e-commerce marketing tools to capture market share beyond traditional brick-and-mortar channels.
2. Enhance digital assets on third-party sales platforms and optimize search engine resources (SEO/SEM) to boost brand visibility in local international markets.
3. Continuously expand global distributor networks while establishing a unified brand communication platform.
4. Integrate official corporate websites with social media (Fan Pages) to elevate the brand image in Taiwan and strengthen the exposure of domestic

products.

5. Upgrade website functionality and utilize strategic product press releases to deepen brand impression and engagement.
6. Standardize and unify the design of marketing collateral across all global physical retail channels.

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.

1.4.1 Macroeconomic and Geopolitical Risks

1. Geopolitical and Tariff Pressures: Ongoing U.S. trade tariffs and geopolitical tensions have sustained high inflation, impacting consumer willingness to purchase home fitness equipment.
2. Production Diversification Strategy: In addition to manufacturing bases in Taiwan and China, the Company has invested in the Chonburi plant in Thailand and the construction of the Dajia plant in Taichung. This allows for flexible capacity adjustment to mitigate single-source geopolitical risks and circumvent high tariffs.

1.4.2 Macroeconomic and Geopolitical Risks

1. Green Inflation and Carbon Pricing: The official implementation of domestic carbon fees has fueled inflationary expectations. Combined with labor shortages, this limits the potential for production cost reductions.
2. International Energy and Environmental Standards: In response to regulations such as the EU New Battery Regulation (EU 2023/1542) and U.S. tariff adjustments on E-bikes, the Company has established dedicated R&D projects to ensure 100% compliance, effectively raising technical barriers to entry.

1.4.3 Macroeconomic and Geopolitical Risks

1. Appreciation Pressure on NTD: With the U.S. and Europe expected to enter a rate-cutting cycle this year, a weakening U.S. Dollar Index may lead to the appreciation of the New Taiwan Dollar, impacting translated export revenues.
2. Mitigation Mechanism: The Company will continue to employ natural hedging and flexible foreign exchange management to minimize the erosion of profits by exchange gains or losses.

1.4.4 Industry Competitive Landscape

1. Market Consolidation: As the fitness equipment industry reaches maturity, the core of competition has shifted from pricing to "Brand Equity + Service Integration."
2. Differentiation Strategy: We distinguish ourselves from low-price competition through our proprietary brands. By shifting from pure hardware to integrated hardware-software solutions—combining brand conviction with premium after-sales experiences—we target the mid-to-high-end market to maintain our premium pricing power.

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	National ity or Country of registrati on	Name	Gender/A ge	Date of appointme nt	Office term	Date of first appointme nt	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			Re ma rk
							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%	9,436,776	5.27%	-	-	-	-	-	-	-	-	-	-
	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%	-	-	-	-	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%	7,212,109	4.03%	-	-	-	-	-	-	-	-	-	-
	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	National ity or Country of registrati on	Name	Gender/A ge	Date of appointme nt	Office term	Date of first appointme nt	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			Re ma rk
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independe nt 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	-	-	-	-
Independe nt 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	-	-	-	-	-
Independe nt 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 2026

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 2026

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.
- (13) Note 4 : The diversity and Independence of the Board of Director :
- (14) The diversity of the Board of Director : Please refer to 3.3.3.
- (15) 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 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 Corpaoction Directot of Chih-Ling Investment Corpaoction 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 Officer	US	Brian Keith Murray	Male	2008.04.22	52,755	0.03%	6,458	0.00%	-	-	BSEE Degree from New York Institute of Technology Cybex engineering supervisor Diamondback Fitness Vice president	-	-	-	-	-	-
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	-	-	-	-	-	-

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		
											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 Chunghwa 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	-	-	-	-	-	-
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 s 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	4,414	4,414	-	-	-	-	120	120	4,534	4,534	-	-	-	--		-	-	-	4,534	4,534	-
Director	Zhuang, Zhu-Wei	-	-	-	-	-	-	120	120	120	120	-	-	-	--		-	-	-	120	120	-
Director	Yong-Heng Investment Corporation. Representative: Chiu Shih-Chien	-	-	-	-	-	-	120	120	120	120	-	-	-	--		-	-	-	120	120	-
Independent Director	Wang, Kai-Li	600	600	-	-	-	-	120	120	720	720	-	-	-	--		-	-	-	720	720	-
Independent Director	Wang, Chih-Cheng	600	600	-	-	-	-	120	120	720	720	-	-	-	--		-	-	-	720	720	-
Independent Director	Wu, Jiin-Po	600	600	-	-	-	-	120	120	720	720	-	-	-	--		-	-	-	720	720	-
Independent Director	Tu, Chi-Yao	600	600	-	-	-	-	120	120	720	720	-	-	-	--		-	-	-	720	720	-

Note 1 : Net Loss after Tax for 2025: Not Applicable

Note 2 : 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.
- 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 2025

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.

2.2.2 Remuneration of President and Vice President

Unit: NT\$1,000; %

Job Title	Name	Salary (A)		Retirement pay and pension(B)		Rewards and special disbursements(C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%) (Note1)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		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	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Chen, Ming-Nan	2,468	2,468	0	0	1,020	1,020	58	0	58	0	3,546	3,546	0
Chief Strategy Officer	Ting, Ping-I	3,587	3,587	0	0	1,010	1,010	43	0	43	0	4,640	4,640	0
Executive V.P.	Wu, Mei-Hua	4,347	4,347	0	0	825	825	43	0	43	0	5,215	5,215	0
Chief Technology Officer	Brian Keith Murray	2,726	2,726	0	0	0	0	0	0	0	0	2,762	2,762	0
Seinor V.P.	Hsu, Li-Wen	1,548	1,548	0	0	719	719	29	0	29	0	2,296	2,296	0
Seinor V.P.	Huang, Hsuan-Fu	1,018	1,018	0	0	428	428	29	0	29	0	1,475	1,475	0
Seinor V.P.	Huang, Yu-Chih	1,233	1,233	0	0	220	220	29	0	29	0	1,482	1,482	0
Seinor V.P.	Chiu, Yuan-Sheng	1,629	1,629	0	0	1,014	1,014	29	0	29	0	2,726	2,726	0
Seinor V.P.	Lin, Shih-Chieh	1,799	1,799	0	0	95	95	29	0	29	0	1,923	1,923	0
Seinor V.P.	Chen, Song-Guo	1,945	1,945	0	0	211	211	29	0	29	0	2,185	2,185	0

Note 1: Net Loss after Tax for 2025: Not Applicable

2.2.3 Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers Remuneration of President and Vice President

Unit: NT\$1,000; %

Job Title	Name	Amount In Stock	Amount In Cash	Total	As a % Of Net Profit
President	Chen, Ming-Nan	0	58	58	Note 1
Chief Strategy Officer	Ting, Ping-I	0	43	43	Note 1
Executive V.P.	Wu, Mei-Hua	0	43	43	Note 1
Chief Technology Officer	Brian Keith Murray	0	0	0	Note 1
Seinor V.P.	Hsu, Li-Wen	0	29	29	Note 1
Seinor V.P.	Huang, Hsuan-Fu	0	29	29	Note 1
Seinor V.P.	Huang, Yu-Chih	0	29	29	Note 1
Seinor V.P.	Chiu, Yuan-Sheng	0	29	29	Note 1
Seinor V.P.	Lin, Shih-Chieh	0	29	29	Note 1
Seinor V.P.	Chen, Song-Guo	0	29	29	Note 1

Note 1: Net Loss after Tax for 2025: Not Applicable

2.2.4 The individual remuneration paid to each of its five highest remunerated management personnel

2.2.5 Unit: NT\$1,000; %

Job Title	Name	Salary (A)		Retirement pay and pension(B)		Rewards and special disbursements(C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%) (Note1)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		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	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Chen, Ming-Nan	2,468	2,468	0	0	1,020	1,020	58	0	58	0	3,546	3,546	0
Chief Strategy Officer	Ting, Ping-I	3,587	3,587	0	0	1,010	1,010	43	0	43	0	4,640	4,640	0
Executive V.P.	Wu, Mei-Hua	4,347	4,347	0	0	825	825	43	0	43	0	5,215	5,215	0
Chief Technology Officer	Brian Keith Murray	2,726	2,726	0	0	0	0	0	0	0	0	2,762	2,762	0
Seinor V.P.	Chiu, Yuan-Sheng	1,629	1,629	0	0	1,014	1,014	29	0	29	0	2,726	2,726	0

Note 1: Net Loss after Tax for 2025: Not Applicable

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

This is not applicable.

2.2.7 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 :

Unit: NT1,000; %

Items	2024				2025			
	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	6,583	9.15%	6,583	9.42%	7,654	Note 1	7,654	Note 1
President and Vice Presidents' remuneration	25,626	35.62%	27,729	39.68%	25,626	Note 1	27,729	Note 1

Note 1: The Company's loss for the year 2025, not applicable.

Note 2: Directors receive fixed monthly remuneration based on Board resolutions and are distributed director's compensation in accordance with the Articles of Incorporation. However, the Board of Directors resolved not to distribute director's compensation for the fiscal years 2024 and 2025.

Note 3: The total remuneration for the President and Vice Presidents in 2025 increased compared to 2024. This was primarily due to the increase in employee compensation resulting from the transfer of treasury shares to employees and the issuance of new shares for employee subscription in connection with a cash capital increase in 2025.

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 2025 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. Eight Board meetings were convened in 2025 (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	8	-	100%	Replacement on November 10, 2023
Director	Zhuang, Zhu-Wei	8	-	100%	Appointed on May 26, 2023.
Director	Yong-Heng Investment Corporation Representative: Chiu Shih-Chien	8	-	100%	Resignation on October 19, 2023.
Independent Director	Wang, Kai-Li	8	-	100%	Appointed on May 26, 2023.
Independent Director	Wang, Chih-Cheng	8	-	100%	Appointed on May 26, 2023.
Independent Director	Wu, Jiin-Po	8	-	100%	Appointed on May 26, 2023.
Independent Director	Tu, Chi-Yao	8	-	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 Article 14-3 of the Securities and Exchange Act: As the Company has established an Audit Committee, the provisions of Article 14-5 of the Securities and Exchange Act shall apply instead. For relevant information, please refer to the "Operations of the Audit Committee" section.

B. Other than the aforementioned matters, any other resolutions of the Board of Directors to which an Independent Director has a dissenting or qualified opinion, supported by a record or written statement:

(2) Execution of Director recusal from proposals involving conflicts of interest: Specify the names of the Directors, the content of the proposals, the reasons for recusal due to conflict of interest, and the status of their participation in the voting:

Name	Date	Motion	Grounds for Recusal	Participation in Voting
Chuan-Feng Investment Corporation Representative: Lin, Yu-Yin	The 15rd meeting of the 12th Board on September 18, 2025	Review of the real estate acquisition by the Canadian subsidiary, Dyaco CA, from a related party.	Chuan-Feng Investment Corporation Representative: Lin, Yu-Yin, is a stakeholder in this proposal.	With the exception of directors who recused themselves from discussion and voting due to conflicts of interest, the remaining attending directors approved the proposal as submitted, based on the review results of the Audit Committee, without objection.
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, Wu; Jiin-Po; Tu, Chi-Yao	The 17rd meeting of the 12th Board on December 29, 2025	Review of the remuneration for Directors and managerial officers.	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, Wu; Jiin-Po; Tu, Chi-Yao, are a stakeholder in this proposal.	With the exception of directors who recused themselves from discussion and voting due to conflicts of interest, the remaining attending directors approved the proposal as submitted, based on the review results of the Remuneration Committee, without objection.

(3) Implementation of Board of Directors Performance Evaluations:

Frequency	Period	Range	Method	Criteria						
Annually	2025	The Board of Directors (as a whole), individual board members, and functional committees (including the Audit Committee and Remuneration Committee).	Internal self-evaluation by the Board of Directors and self-evaluation by individual board members.	The measurement items for the performance evaluation of individual board members cover the following six categories: ● Alignment with company goals and missions ● Awareness of the duties and responsibilities of directors ● Participation in the company' s operations ● Management of internal relationships and communication ● Professionalism and continuing education ● Internal control According to the results of the most recent performance evaluation for the fiscal year 2024, the average score of the board members' self-evaluations was 4.97 (out of 5). The results for the performance evaluation are expected to be reported to the Board of Directors in the first quarter of 2025. The measurement items for the performance evaluation of the Board of Directors (as a whole) cover the following five categories: ● Participation in the company' s operations ● Quality of the Board' s decision-making ● Board composition and structure ● Election and continuing education of directors						
Every three years	2023	The Board of Directors	Every three years	The details of the evaluation scope are as follows: <table><tr><th>Board of Directors</th><th>Individual Board Member</th><th>unctional Committees</th></tr><tr><td> ● Participation in the company' s operations ● Quality of the </td><td> ● Alignment with company goals and missions ● Awareness of the </td><td> ● Participation in the company' s operations ● Awareness of the </td></tr></table>	Board of Directors	Individual Board Member	unctional Committees	● Participation in the company' s operations ● Quality of the	● Alignment with company goals and missions ● Awareness of the	● Participation in the company' s operations ● Awareness of the
Board of Directors	Individual Board Member	unctional Committees								
● Participation in the company' s operations ● Quality of the	● Alignment with company goals and missions ● Awareness of the	● Participation in the company' s operations ● Awareness of the								

				<table><tr><td>Board' s decision-making ● Board composition and structure ● Election and continuing education of directors ● Internal control </td><td>duties and responsibilities of directors ● Participation in the company' s operations ● Management of internal relationships and communication ● Professionalism and continuing education of directors ● Internal control </td><td>duties and responsibilities of functional committees ● Quality of decision-making by functional committees ● Composition of functional committees and election of members ● Internal control </td></tr></table>	Board' s decision-making ● Board composition and structure ● Election and continuing education of directors ● Internal control	duties and responsibilities of directors ● Participation in the company' s operations ● Management of internal relationships and communication ● Professionalism and continuing education of directors ● Internal control	duties and responsibilities of functional committees ● Quality of decision-making by functional committees ● Composition of functional committees and election of members ● Internal control			
Board' s decision-making ● Board composition and structure ● Election and continuing education of directors ● Internal control	duties and responsibilities of directors ● Participation in the company' s operations ● Management of internal relationships and communication ● Professionalism and continuing education of directors ● Internal control	duties and responsibilities of functional committees ● Quality of decision-making by functional committees ● Composition of functional committees and election of members ● Internal control								
Results: A. On January 2, 2024, Cheng-Yi Management Consulting Co., Ltd. issued the evaluation that the Company' s Board of Directors has established relevant policies and procedures in accordance with applicable laws and domestic corporate governance indicators. The Board is composed of directors with professional expertise who engage in continuous education. The Board members and various functional committees are operating effectively, with the Board based on diverse professional backgrounds and experience. The Board maintains timely operations. The overall evaluation result is "Excellent." B. The aforementioned evaluation results were reported to the Board of Directors in the 2024. C. The recommendations provided by the external expert, Cheng-Yi Management Consulting Co., Ltd. are as follows:										
<table><tr><td>Recommendations / Status of Implementation</td><td>Proposed Measures to be Taken by the Company</td></tr><tr><td> ● Independent Director Tenure: Currently, independent directors represent more than half of the Board seats. However, among the four independent directors, one has served more than three consecutive terms, and another is currently serving their third term. In accordance with the "Directions for Compliance Requirements Regarding the Board of Directors of TWSE Listed Companies," starting from 2027, the continuous tenure of all independent directors shall not exceed three terms. It is recommended that for the next re-election, the Company nominate suitable new candidates through the Nomination Committee to further enhance the professionalism and independence of the Board and functional committees. ● Functional Committee Planning: It is recommended that the conveners of each functional committee establish a work plan and objectives for each term and each fiscal year within that term. By reaching a consensus among committee members, these plans will further strengthen the Company' s functional committees in their oversight and management roles. </td><td> ● Nomination and review shall be conducted in accordance with applicable laws and regulations during the re-election of the 13th Board of Directors. ● Starting from the fiscal year 2025, each functional committee is proposed to submit its annual work plan. </td></tr></table>							Recommendations / Status of Implementation	Proposed Measures to be Taken by the Company	● Independent Director Tenure: Currently, independent directors represent more than half of the Board seats. However, among the four independent directors, one has served more than three consecutive terms, and another is currently serving their third term. In accordance with the "Directions for Compliance Requirements Regarding the Board of Directors of TWSE Listed Companies," starting from 2027, the continuous tenure of all independent directors shall not exceed three terms. It is recommended that for the next re-election, the Company nominate suitable new candidates through the Nomination Committee to further enhance the professionalism and independence of the Board and functional committees. ● Functional Committee Planning: It is recommended that the conveners of each functional committee establish a work plan and objectives for each term and each fiscal year within that term. By reaching a consensus among committee members, these plans will further strengthen the Company' s functional committees in their oversight and management roles.	● Nomination and review shall be conducted in accordance with applicable laws and regulations during the re-election of the 13th Board of Directors. ● Starting from the fiscal year 2025, each functional committee is proposed to submit its annual work plan.
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(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 51 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	2025/4/22	Taiwan Institute of Directors	Maintaining Core Competitiveness: From Taiwan to the Global Stage	3	6
	2025/5/24	Taiwan Stock Exchange	2025 Summit on Strengthening Taiwan' s Capital Market	3	
Zhuang, Zhu-Wei	2025/3/7	Taiwan Corporate Governance Association	Introduction to Greenhouse Gas Inventory, Assurance Principles, and Key Points	3	6
	2025/3/11	Chinese National Association of Industry and Commerce	Trump 2.0, the Death of Globalization, and Regional Wars	3	
YONG-HENG INVESTMENT CORPORATION Representative: Chiu, Shih-Chien	2025/8/12	Taiwan Corporate Governance Association	Key Considerations for Recent Investments in the United States	3	6
	2025/12/22	Taiwan Corporate Governance Association	The Role and Responsibilities of the Board of Directors in ESG Governance	3	
Wang, Kai-Li	2025/8/7	Taiwan Corporate Governance Association	Analysis of Legal Risks: Prevention of Insider Trading and Labor Disputes	3	6
	2025/8/7	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3	
Wang, Chih-Cheng	2025/5/7	Securities & Futures Institute	Analysis of Fraud Techniques and Introduction to Anti-Money Laundering Regulations and Case Studies	3	12
	2025/7/9	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit	6	
	2025/8/6	Securities & Futures Institute	Trends in Sustainability Disclosure: The Issuance, Impact, and Response to IFRS S1 and S2 Sustainability Disclosure Standards	3	

Name	Date	Host by	Training/Speech Title	Duration	Total Hours
Tu, Chi-Yao	2025/10/16	Financial Supervisory Commission	The 15th Taipei Corporate Governance Forum	6	9
	2025/8/13	Taiwan Independent Director Association	Challenges and Responses to the New Global Economic and Trade Landscape	3	
Wu, Jiin-Po	2025/6/10	Taiwan Stock Exchange	Strengthening Climate Information Disclosure to Enhance Corporate Climate Resilience	3	6
	2025/10/15	Taiwan Stock Exchange	New Trends in IR & Engagement: ESG and Sustainable Investment Forum	3	

2.3.2 The state of operations of the audit committee

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 2025 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 ot 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 2025:
 - (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) He 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 9rd meeting of the 3rd Audit Committee on December 30, 2024, and the 9rd 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. Seven 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
The 3th meeting of the 10th Board on February 13, 2025	Review of the proposal for the transfer of the 6th batch of treasury shares to managers and employees.	None
	Opposing opinions from Independent Directors: None.	
	Resolution: Approved by all attending members.	
	The Company' s response to the Audit Committee' s opinions: Approved by all attending directors.	
The 3th meeting of the 11th Board on March 12, 2025	Reclassification of accounts receivable from related parties to other receivables and recognition as loans to others.	None
	2024 Financial Statements and Business Report.	None
	2024 Earnings Distribution of Cash Dividends.	None
	2024 Earnings Distribution Table.	None
	2024 Internal Control System Statement.	None
	Application for bank credit facilities.	None
	Cardio Fitness - Provision of loans by the sub-subsidiary, Fuel Spirit, to the sub-subsidiary, Cardio Fitness.	None
	Amendments to the Articles of Incorporation.	None
	Opposing opinions from Independent Directors: None.	
	Resolution: Approved by all attending members.	
	The Company' s response to the Audit Committee' s opinions: Approved by all attending directors.	
The 3th meeting of the 12th Board on	Reclassification of accounts receivable from related parties to other receivables and recognition as loans to others.	None
	Consolidated Financial Statements for the First Quarter of 2025.	None

May 13, 2025	Application for bank credit facilities.	None
	Renewal of endorsements and guarantees for the subsidiary, Wing Long	None
	Renewal of endorsements and guarantees for the subsidiary, IUVO	None
	City Sport • Provision of loans by the sub-subsidiary, Fuel Spirit, to the subsidiary, City Sport.	None
	Capital increase and capital reduction of the subsidiary, Dyaco UK.	None
	Establishment of the Employee Stock Ownership Trust Committee of Dyaco International Inc.	None
	Opposing opinions from Independent Directors: None.	
	Resolution: Approved by all attending members.	
	The Company' s response to the Audit Committee' s opinions: Approved by all attending directors.	
The 3th meeting of the 13th Board on August 12, 2025	Reclassification of accounts receivable from related parties to other receivables and recognition as loans to others.	None
	Consolidated Financial Statements for the Second Quarter of 2025.	None
	Application for bank credit facilities.	None
	Cardio Fitness • Provision of loans by the Company to the sub-subsidiary, Cardio Fitness.	None
	Capital reduction of the subsidiary, Sole Inc., and the sub-subsidiary, Sole Fitness (FES), to offset accumulated losses.	None
	Lease of Dajia Plant I by the subsidiary, Cikada Technologies, from the Company.	None
	Cash capital increase of the subsidiary, Cash capital increase of the subsidiary, Cikada Technologies	None
	Proposal for a budget increase for the construction project of the Company's Dajia Plant II.	None
	Opposing opinions from Independent Directors: None.	
	Resolution: Approved by all attending members.	
	The Company' s response to the Audit Committee' s opinions: Approved by all attending directors.	
The 3th meeting of the 14th Board on September 18, 2025	Acquisition of real estate from a related party by the Canadian subsidiary, Dyaco CA.	None
	Opposing opinions from Independent Directors: None.	
	Resolution: Approved by all attending members.	
	The Company' s response to the Audit Committee' s opinions: Approved by all attending directors.	
The 3th meeting of the 15th Board on November 11, 2025	Reclassification of accounts receivable from related parties to other receivables and recognition as loans to others.	None
	Consolidated Financial Statements for the Third Quarter of 2025.	None
	Application for bank credit facilities.	None
	Provision of loans by the sub-subsidiary, Fuel Spirit, to the subsidiary, Sweatband.com Ltd.	None
	Adjustment of the investment structure of the UK subsidiaries.	None
	Warehouse lease agreement between the sub-subsidiary, Sole Fitness, and the subsidiary, Spirit. (註：或譯為 <i>Lease of warehouse</i>)	None

	<i>by the sub-subsidiary, Sole Fitness, from the subsidiary, Spirit.)</i>	
	Amendments to the Internal Control System.	None
	Opposing opinions from Independent Directors: None.	
	Resolution: Approved by all attending members.	
	The Company' s response to the Audit Committee' s opinions: Approved by all attending directors.	
The 3th meeting of the 16th Board on December 29, 2025	Application for bank credit facilities.	None
	Renewal of endorsements and guarantees for the subsidiary, President Plastic Products MFG.	None
	Renewal of endorsements and guarantees for the subsidiary, IUVO Industry.	None
	City Sport Co.,Ltd • Provision of loans by the Company to the subsidiary, City Sport Co., Ltd.	None
	Establishment of the "Procedures for Loaning of Funds to Others" for the subsidiary, IUVO Industry.	None
	Provision of loans by the subsidiary, IUVO industry, to the subsidiary, Cikada Technologies.	None
	Addition of "Information Security Committee Management Procedures."	
	Opposing opinions from Independent Directors: None.	
	Resolution: Approved by all attending members.	
	The Company' s response to the Audit Committee' s opinions: Approved by all attending directors.	

(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 Comapany' 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 12, 2025	<u>Independent Director</u> Wang, Kai-Li Wang, Chih-Cheng Wu, Jiin-Po Tu, Chi-Yao <u>KPMG CPA</u> Chen, Chung-Che	<u>Communications between the Independent Directors and the CPA</u> 1.Conclusion of the Independent Auditors' Review Report on the Financial Statements for the First Quarter of 2025. 2.Key Audit Matters <u>Independent Directors' Response</u> The Finance and Accounting Department shall provide full cooperation and assistance should the external auditors encounter difficulties or significant matters requiring communication during the audit process. <u>The Company Follow-up</u> Provide full cooperation.

December 29, 2025	<u>Independent Director</u> Wang, Kai-Li Wang, Chih-Cheng Wu, Jiin-Po Tu, Chi-Yao KPMG CPA Chen, Chung-Che	<u>Communications between the Independent Directors and the CPA</u> 1.Statement of Independence 2.Annual Audit Plan 3.Key Audit Matters <u>Independent Directors’ Response</u> The Finance and Accounting Department shall provide full cooperation and assistance should the external auditors encounter difficulties or significant matters requiring communication during the audit process. <u>The Company Follow-up</u> Provide full cooperation.
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B. Communications between the independent directors and the chief internal auditor

a. Independent Directors' Meetings with the Internal Audit

Date	Attendee	Summary
December 29, 2025	<u>Independent Director</u>	<u>Communications between the Independent Directors and the CIA</u>
	Wang, Kai-Li	1. 2024 audit matters.
	Wang, Chih-Cheng	2. Discuss the key issues of the 2025 audit.
	Wu, Jiin-Po	3. Explain the 2025 audit plan and project arrangement.
	Tu, Chi-Yao	<u>Independent Directors’ Response</u>
	<u>Chief Internal Auditor</u>	1. Audit of key operational cycles for major subsidiaries.
	Yang, Ai-Chi	2. Review of subsidiary financial data integration and the consolidation reporting process.
		<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	Independent Directors in Attendance	Chief Internal Auditor in Attendance	Summary	Resolution
March 12, 2025	Wang, Kai-Li Wang, Chih-Cheng Wu, Jiin-Po Tu, Chi-Yao	Yang, Ai-Chi	Audit Office Execution Report on the Audit Plan for the Fourth Quarter of 2024	Reported to the Board of Directors after the Audit Committee’s approval.
May 13, 2025	Wang, Kai-Li Wang, Chih-Cheng Wu, Jiin-Po	Yang, Ai-Chi	Audit Office Execution Report on the Audit Plan for the First Quarter of 2025	Reported to the Board of Directors after the Audit Committee’s approval.

	Tu, Chi-Yao			approval.
August 12, 2025	Wang, Kai-Li Wang, Chih-Cheng Wu, Jiin-Po Tu, Chi-Yao	Yang, Ai-Chi	Audit Office Execution Report on the Audit Plan for the Second Quarter of 2025	Reported to the Board of Directors after the Audit Committee' s approval.
November 11, 2025	Wang, Kai-Li Wang, Chih-Cheng Wu, Jiin-Po Tu, Chi-Yao	Yang, Ai-Chi	Audit Office Execution Report on the Audit Plan for the Third Quarter of 2025	Reported to the Board of Directors after the Audit Committee' s approval.
December 29, 2025	Wang, Kai-Li Wang, Chih-Cheng Wu, Jiin-Po Tu, Chi-Yao	Yang, Ai-Chi	Review of the 2026 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 2025 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 2026.

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 unpublished 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		- 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: - 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																																																																																																																												
			(1). The gender composition of the Company's directors is as follows:<table><tr><th>Gender</th><th>Place</th><th>% of All Directors</th></tr><tr><td>Female</td><td>1</td><td>14%</td></tr><tr><td>Male</td><td>6</td><td>86%</td></tr></table> The Company places emphasis on gender equality in the composition of the Board of Directors. The short-term goal of having at least one woman on the Board of Directors has been achieved; the current proportion of women on the Board is 14%. (2). The age range of the Company's directors is as follows:<table><tr><th>Age Range</th><th>Place</th><th>% of All Directors</th></tr><tr><td>Age 31 to 40</td><td>1</td><td>14%</td></tr><tr><td>Age 51 to 60</td><td>2</td><td>29%</td></tr><tr><td>Age 61 to 70</td><td>4</td><td>57%</td></tr></table> (3). Drectors of the Company in their capacity as employee:<table><tr><th>Directorship</th><th>Place</th><th>% of All Directors</th></tr><tr><td>Part-time staff</td><td>0</td><td>0%</td></tr><tr><td>Not part-time staff</td><td>7</td><td>100%</td></tr></table> (4). The directors of the Company are all ROC nationals. (5). The directorships of the Company are as follows:<table><tr><th>Directorship</th><th>Place</th><th>% of All Directors</th></tr><tr><td>Director</td><td>3</td><td>43%</td></tr><tr><td>Independent Director</td><td>4</td><td>57%</td></tr></table> During the twelfth term (2023) director election, the Company increased the number of independent director seats to four, surpassing more than half of the overall director seats, as part of efforts to strengthen the supervisory function of the Board of Directors. (6). The terms of office of the independent directors are as follows:<table><tr><th>Directorship</th><th>Place</th><th>% of All Directors</th></tr><tr><td>1~3 years</td><td>2</td><td>50%</td></tr><tr><td>4~6 years</td><td>1</td><td>25%</td></tr><tr><td>Over 9 years</td><td>2</td><td>25%</td></tr></table> (7). The assessment of diversified core competencies for the directors are as follows:<table><tr><th>Diversified core competencies</th><th>Operational judgement</th><th>Accounting and financial analysis skills</th><th>Operational management capacity</th><th>Crisis management capacity</th><th>Industrial knowledge</th><th>Global market insights</th><th>Leadership</th><th>Decision-making capacity</th></tr><tr><td>Directors</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>CHUAN-FENG INVESTMENT CORPORATION Representative: Lin, Yu-Yin</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td></tr><tr><td>Zhuang, Zhu-Wei</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>YONG-HENG INVESTMENT CORPORATION Representative: Chiu, Shih-Chien</td><td>V</td><td></td><td>V</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>Wang, Kai-Li</td><td>V</td><td></td><td>V</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>Wang, Chih-Cheng</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr><tr><td>Wu, Jiin-Po</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td></tr></table>	Gender	Place	% of All Directors	Female	1	14%	Male	6	86%	Age Range	Place	% of All Directors	Age 31 to 40	1	14%	Age 51 to 60	2	29%	Age 61 to 70	4	57%	Directorship	Place	% of All Directors	Part-time staff	0	0%	Not part-time staff	7	100%	Directorship	Place	% of All Directors	Director	3	43%	Independent Director	4	57%	Directorship	Place	% of All Directors	1~3 years	2	50%	4~6 years	1	25%	Over 9 years	2	25%	Diversified core competencies	Operational judgement	Accounting and financial analysis skills	Operational management capacity	Crisis management capacity	Industrial knowledge	Global market insights	Leadership	Decision-making capacity	Directors									CHUAN-FENG INVESTMENT CORPORATION Representative: Lin, Yu-Yin	V	V	V	V	V	V	V	V	Zhuang, Zhu-Wei	V	V	V	V		V	V	V	YONG-HENG INVESTMENT CORPORATION Representative: Chiu, Shih-Chien	V		V	V		V	V	V	Wang, Kai-Li	V		V	V		V	V	V	Wang, Chih-Cheng	V	V	V	V		V	V	V	Wu, Jiin-Po	V	V	V	V		V	V	V	
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	Yes	No	Summary								
			Tu, Chi-Yao V V V V V V V								
			4. Board members and key management succession planning: The succession plans and operations for the board members and key management personnel are disclosed on the Company's website, www.dyaco.com.								
(2). Whether the Company has established its own various functional committees other than the Remuneration Committee and the Audit Committee.	V		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. 2.To strengthen corporate governance and enhance Board effectiveness, the Company established the Nomination Committee and the Information Security Committee on August 12, 2022, and November 11, 2025, respectively, by resolutions of the Board of Directors. For information regarding the composition, responsibilities, and operations of each committee, please refer to Sections III (5) and III (5).								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		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. 2. For the 2025 Board of Directors' evaluation, please refer to Section 3.1.2. 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.								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 30, 2024 and December 29, 2025 to the Board of Directors for approval after deliberations by the Audit Committee; please refer to below for details of the 2025 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		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. 2. See Section 3.9.2 for the corporate governance director' s duties, business execution highlights and continuing education for 2025.								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 dedicated sector for stakeholders in its	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. 2. Communication between various types of stakeholders in 2025 was reported by the head of								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	
website, in addition to responding properly to key issues in corporate social responsibility concerned by stakeholders.			corporate governance to a board meeting on December 29, 2025 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. (2) Risk management framework:	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										
			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. 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. B. Business: Conduct product marketing and keep abreast of market trends to abate operational risks. 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. 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. 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. 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. (3) Analysis and assessment of risk issues: Please refer to Section on risk issues. 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. 8. The liability insurance for directors and supervisors is as follows: <table><tr><th>Date of Most Recent Board Meeting</th><th>Insurance Period</th><th>Insured Amount</th></tr><tr><td>November 10, 2024</td><td>September 15, 2024–September 15, 2025</td><td>USD 5,000,000</td></tr><tr><td>November 11, 2025</td><td>September 15, 2025 – September 15, 2026</td><td>USD 5,000,000</td></tr></table> 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 2025 was reported to the Board of Directors on December 29, 2025.	Date of Most Recent Board Meeting	Insurance Period	Insured Amount	November 10, 2024	September 15, 2024–September 15, 2025	USD 5,000,000	November 11, 2025	September 15, 2025 – September 15, 2026	USD 5,000,000	
Date of Most Recent Board Meeting	Insurance Period	Insured Amount											
November 10, 2024	September 15, 2024–September 15, 2025	USD 5,000,000											
November 11, 2025	September 15, 2025 – September 15, 2026	USD 5,000,000											
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.													
1. In the 11th Corporate Governance Review, the Company was ranked at 6% to 20%.													
2. Improvements made													
(1). The number of independent director seats exceeds half of the total board membership.													
(2). The entire proceedings of the shareholders' meeting are recorded and placed on the Company's website.													
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.													

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: 2025.12.29

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 ☐ N ☒
	2. Have you engaged in any financing or guarantee activities with the Company, its related parties, or its directors?	Y ☐ N ☒
	3. Have you considered the possibility of losing customers?	Y ☐ N ☒
	4. Do you have any close business relationships with the Company or its related parties?	Y ☐ N ☒
	5. Is there a potential employment relationship between you and the Company or its related parties?	Y ☐ N ☒
	6. Are there any audit-related or public-expense matters involved?	Y ☐ N ☒
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 ☐ N ☒
	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 ☐ N ☒
Defense	1. Have you promoted or acted as an intermediary for the stocks or other securities the Company or its related parties issued?	Y ☐ N ☒
	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 ☐ N ☒
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 ☐ N ☒
	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 ☐ N ☒
	3. Have you received any significant gifts from the Company, its related parties, or their Directors or executives?	Y ☐ N ☒
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 ☐ N ☒
	2. Have the Company or its related parties pressured the auditor to improperly reduce the scope of audit work to reduce audit fees?	Y ☐ N ☒
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 ☒ N ☐

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 and nomination committee

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 term of the 5th Board of Directors is 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) Three Remuneration Committee meetings were convened in 2025 (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	3	-	100%	Re-appointed on May 26, 2023
Member	Tu, Chi-Yao	3	-	100%	Appointed on May 26, 2023
Member	Wang, Chih-Cheng	3	-	100%	Re-appointed on May 26, 2023
Member	Wu, Jiin-Po	3	-	100%	Appointed on May 26, 2023

- (5) Other required notes for the meetings:
 - A. If the Board of Directors does not adopt or amends the recommendations of the Remuneration Committee, the date and session of the Board meeting, the content of the proposal, the resolution of the Board, and the Company' s response to the Remuneration Committee' s opinions (e.g., if the remuneration approved by the Board is superior to the recommendation of the Committee, the circumstances and reasons for the difference shall be specified) shall be disclosed: None.

B. For resolutions of the Remuneration Committee, if any member has an opposing or qualified opinion that is recorded or made in writing, the date and session of the Committee meeting, the content of the proposal, the opinions of all members, and the response to those opinions shall be disclosed: None.

C. Discussion items and resolution results of the Remuneration Committee, and the Company' s response to the Remuneration Committee' s opinions.

Remuneration Committee Meeting Date	Resolution
The 4th meeting of the 5th Remuneration Committee on February 13, 2025	Review of the proposal for the transfer of the 6th batch of treasury shares to managers and employees.
	Review of the allocation of new shares issued through the 2025 cash capital increase to managers and employees.
	Resolution: With the exception of relevant managers who recused themselves from the discussion and voting due to conflicts of interest, the proposal was consulted by the Chairperson and approved by all attending members without objection.
	Resolution: Consulted by the Chairperson and approved by all attending members without objection.
The 5th meeting of the 5th Remuneration Committee on March 12, 2025	Review of the 2024 employee and director compensation distribution.
	Resolution: Consulted by the Chairperson and approved by all attending members with suggested amendments.
	The Company' s response to the Remuneration Committee' s opinions: Executed in accordance with the Committee's resolution.
The 6th meeting of the 5th Remuneration Committee on December 29, 2025	Review of the proposed remuneration items for the 2026 fiscal year.
	Review of remuneration for directors and managers.
	Review of the year-end bonus distribution for managers.
	Resolution: Consulted by the Chairperson and approved by all attending members with suggested amendments.
	The Company' s response to the Remuneration Committee' s opinions: Executed in accordance with the Committee's resolution.

(6) 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 2025 overall performance of the Board of Directors was 5 out of 5 and was reported to the Board in the first quarter, 2026.

The Nominating Committee

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 2nd term from May 26, 2023 to May 25, 2026.
- (3) 1 Nominating Committee meeting was convened in 2025 (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 3rd meeting of the 2nd Nominating Committee on December 29, 2025	Discussion on the 2025 Professional Continuing Education Status and the 2026 Continuing Education Plan for Directors.
	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.

The weighted average score for the 2025 overall performance of the Board of Directors was 5 out of 5 and was reported to the Board at first quarter, 2026.

The Information Security Committee

1. To establish procedures for the operation of the Information Security Management Committee, the Board of Directors approved the Organizational Charter of the Information Security Management Committee on November 11, 2025, for compliance and implementation.

2. Pursuant to the Organizational Charter of the Information Security Management Committee, the Committee is composed of the Chairman and four independent directors. The Chairman serves as the Convener, and Independent Director Wu Chin-Po serves as the Deputy Convener.

3. Responsibilities of the Information Security Management Committee

(1) Formulating the Company' s information security management policies, framework, and organizational functions.

(2) Reviewing the information security management mechanisms for the Company' s new businesses.

(3) Reviewing major information security incidents of the Company and reporting regularly to the Board of Directors.

(4) Other matters assigned to the Committee by resolution of the Board of Directors.

4. Professional Qualifications and Experience of the Members of the Information Security Committee

(1) Term of office of Committee members: The term of the first Committee is from November 11, 2025 to May 25, 2026.

(2) In 2025, the Information Security Management Committee held one meeting (A). The qualifications and attendance of the Committee members were as follows

Title	Name	Expertise	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (B/A)	Remarks
Convener	Chuan Feng Investment Co., Ltd. Representative: Lin Yu-Ying	Corporate governance	1	-	100%	Elected on November 11, 2025
Deputy Convener	Wu Chin-Po	Corporate governance, information technology	1	-	100%	Elected on November 11, 2025
Member	Wang Chih-Cheng	Corporate governance, law	1	-	100%	Elected on November 11, 2025
Member	Wang Kai-Li	Corporate governance, finance	1	-	100%	Elected on November 11, 2025
Member	Tu Chi-Yao	Corporate governance, accounting	1	-	100%	Elected on November 11, 2025

5. Other Matters to Be Disclosed

If any of the following circumstances occur in the operation of the Information Security Management Committee, the Company shall specify the date and session of the Board meeting, the content of the proposal, the resolution result, and the Company's handling of the opinions of the Information Security Management Committee.

Information Security Management Committee	Proposal Content and Subsequent Handling
1st Meeting of the 1st Term, December 29, 2025	Establishment of an information security risk management framework, review of specific management plans for information security management policies, and allocation of resources for information security management.
	Resolution of the Information Security Management Committee: Approved without objection by the Information Security Management Committee as proposed.
	Company's handling of the opinions of the Information Security Management Committee: Implemented in accordance with the resolution of the Information Security Management Committee.

6. Performance Evaluation Results of the Information Security Management Committee

At the end of each year, the Company conducts a performance evaluation of its functional committees for the year. The performance evaluation indicators for the members of the Information Security Management Committee cover the following four major aspects:

- (1) Degree of participation in the Company's operations.
- (2) Understanding of the responsibilities of the Information Security Management Committee.
- (3) Enhancement of the decision-making quality of the Information Security Management Committee.
- (4) Composition and member selection of the Information Security Management Committee.

The most recent performance evaluation of the members of the Information Security Committee for 2025 showed an overall average self-evaluation score of 4.80 out of 5. The 2025 evaluation results were reported to the Board of Directors in the first quarter of 2026.

2.3.5 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	
1. 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?	V		1. Establishment of the Corporate Sustainability Development Committee To implement sustainable business management, the Company' s Board of Directors established the "Corporate Sustainability Development Committee" on August 11, 2021, and adopted the relevant organizational regulations as the basis for its operations. 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, execution, and effectiveness of the Company' s sustainability policies. 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. 3. Achievements in 2025 The achievements in corporate sustainability development were reported to the Board of Directors on December 29, 2025. For detailed execution results, please refer to "Section 7: Other Important Information Contributing to Understanding Corporate Sustainability Development." 4. Participation in External Learning and Evaluation Actively participates in external sustainability-related courses and evaluations, learning how to integrate the United Nations Sustainable Development Goals (SDGs) into the Company's Corporate Social Responsibility (CSR) initiatives and enhancing the Company's sustainability capabilities. 2025 participated courses: ● ESG Sustainability Report Writing ● ISO 14068-1:2023 Carbon Neutrality Lead Auditor Training Course ● Key Seminars on Sustainability Information Management and Internal Control/Audit Practices ● Net-Zero Green-Collar Talent Training Program ● M-Power Information Co., Ltd "IFRS S1/S2 Implementation Workshop" ● Taipei Industrial Nodes Sustainability Management Course: Introduction to Carbon Pricing and Carbon Trading, and Corporate Carbon Inventory Practices ● TWSE, CDP, and BCSD "Analysis Report on the Mapping between CDP Questionnaire and IFRS S2 Climate-related Disclosures"	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies"

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?	V	This disclosure covers the Company's sustainability performance at its major operating sites from January to December, Year 114 (2025). The scope of the risk assessment primarily focuses on the Company's operations in Taiwan. The Company has established Risk Management Guidelines as the guiding principles for its risk management practices. Each year, the ESG Execution Team under the Sustainability Committee consolidates and reviews relevant information to set risk management objectives. In line with ISO 14001 and ISO 45001 requirements, the Company monitors potential risks across all departments and implements preventive measures. It also formulates appropriate risk response strategies to strengthen overall risk management, enabling effective identification, assessment, and control of risks, and ensuring that risks arising from business activities remain within an acceptable range. <u>Environmental Issues</u> To better understand the impact of climate change on operations, the Company has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework issued by the Financial Stability Board (FSB) since 2023. Based on its four core elements, the Company has established a climate-related information framework to identify relevant climate risks and opportunities, and to formulate corresponding response strategies. In alignment with the global goal of achieving net-zero emissions by 2050, the Company is committed to enhancing awareness of climate-related issues among its management and employees. In addition to organizing regular training sessions, the Company publishes a bi-weekly sustainability newsletter to share the latest developments and knowledge, thereby strengthening its capability to respond to and manage the impacts of climate change and to reduce potential operational disruptions caused by environmental factors. The Company obtained the ISO 14064-1 greenhouse gas inventory verification statement for its consolidated subsidiaries for Year 114 (2025), enabling effective management of the Group's overall emissions data. Energy consumption, greenhouse gas emissions management, and inventory have been incorporated into short-term (3-year) goals, while medium-term (5-year) and long-term (10-year) goals focus on improving energy and resource efficiency based on carbon inventory results, aiming to reduce greenhouse gas emissions year by year. <table border="1" data-bbox="539 994 1289 1966"> <thead> <tr> <th data-bbox="539 994 619 1061">Risk Level</th><th data-bbox="619 994 699 1061">Risk Type</th><th data-bbox="699 994 810 1061">Risk Factors</th><th data-bbox="810 994 1289 1061">Risk Description</th></tr> </thead> <tbody> <tr> <td data-bbox="539 1061 619 1966" rowspan="4">Significant</td><td data-bbox="619 1061 699 1384" rowspan="4">Transition Risks</td><td data-bbox="699 1061 810 1384">Policy and Legal Risks</td><td data-bbox="810 1061 1289 1384">In line with domestic regulatory authorities' goals to reduce carbon emissions and address climate change, Dyaco must conduct carbon inventories and implement carbon-reduction plans. Additionally, with the government promoting carbon pricing mechanisms, exceeding carbon emission limits may result in fines, thereby increasing operational costs.</td></tr> <tr> <td data-bbox="699 1384 810 1621" rowspan="2">Market Risk</td><td data-bbox="810 1384 1289 1621">In response to the global or regional rise in sustainability awareness, customers are increasingly preferring low-carbon or environmentally friendly products. Products that do not meet consumer demand may be eliminated from the market.</td></tr> <tr> <td data-bbox="810 1621 1289 1756">Climate change increases the cost of raw materials. This results in suppliers raising their costs to us, thereby increasing manufacturing costs.</td></tr> <tr> <td data-bbox="699 1756 810 1966">Technology Risk</td><td data-bbox="810 1756 1289 1966">Due to the factors 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.</td></tr> </tbody> </table>	Risk Level	Risk Type	Risk Factors	Risk Description	Significant	Transition Risks	Policy and Legal Risks	In line with domestic regulatory authorities' goals to reduce carbon emissions and address climate change, Dyaco must conduct carbon inventories and implement carbon-reduction plans. Additionally, with the government promoting carbon pricing mechanisms, exceeding carbon emission limits may result in fines, thereby increasing operational costs.	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Risk Level	Risk Type	Risk Factors	Risk Description													
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Evaluation Item	Implementation status						Discrepancy with industry standards in sustainable development practices and reasons for listed companies		
	Yes	No	Yes						
			Minor	Physical Risks	Acute Risk	Typhoons, Heavy rainfall	The increased frequency of severe typhoon impacts and extreme rainfall may disrupt the company's operations. This could lead to flooding or water accumulation in the factory, resulting in asset losses and impacting equipment production schedules.		
			Metrics and Targets The Company has formulated relevant measures in response to the goal of net-zero emissions by 2050, including: (1) establishing standards for new plants and new machinery/equipment to address climate change and reduce greenhouse gas emissions; (2) optimizing manufacturing processes with the aim of reducing air pollution; and (3) identifying high carbon emission hotspots and developing carbon reduction plans. The Company will establish key climate-related performance indicators in areas such as green energy adoption, reductions in electricity and water consumption, and product design. Having obtained the ISO 14064-1 greenhouse gas inventory verification statement, the Company will regularly review its greenhouse gas emission reduction performance annually and has set a net-zero emissions target for 2050. <u>Social Issues</u> Providing a safe and healthy working environment for employees is the Company’ s top priority. To ensure employees’ physical and mental well-being and to enhance workplace safety, the Company has established a Social Responsibility Management Manual in addition to implementing ISO 14001 and ISO 45001 management systems. Furthermore, through employee health check-ups, fire drills, and training programs, the Company promotes workplace safety awareness and emphasizes the importance of employees’ physical and mental health. <u>Corporate Governance</u> The Company aims to prevent any violations of regulatory requirements that could harm its reputation. To this end, it has established Audit, Remuneration, Sustainability, Nomination, and Information Security Committees. In addition, a dedicated Corporate Governance Officer has been appointed to work alongside these committees in overseeing compliance with applicable laws and regulations, thereby strengthening the implementation of corporate governance.						
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		The Company complies with environmental regulations established by the Ministry of Environment, including the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, and Toxic and Concerned Chemical Substances Control Act. Based on these regulations, the Company has developed an Environmental, Health, and Safety (EHS) Management Manual, environmental operation management procedures, and energy consumption and greenhouse gas emissions management procedures. In August 2024 (Year 113), the Company successfully passed an external verification conducted by SGS and obtained the ISO 14001:2015 certification, valid from August 14, 2024, to August 14, 2027.						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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(2). Does the Company endeavor to improve energy usage efficiency and use renewable materials which have a low impact on the environment?	V		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, 371 suppliers have signed the Hazardous Substance Restriction Guarantee, achieving a 68.2% compliance rate among raw material suppliers (Category F). No supplier partnerships were terminated due to non-compliance. 2. Through the Company' s "Environmental Operation Management Procedures," energy-saving measures have been established and are promoted by the General Manager in collaboration with the Administration Department. To increase the use of green energy, the Company has implemented a solar power generation policy by leasing factory rooftops to vendors for the installation of solar photovoltaic systems, with generated electricity sold back to the Taiwan Power Company. Currently, six solar power systems are in operation, achieving a reduction of 224,342.7780 kg of carbon dioxide in 2025 (Year 114). In addition, installing solar panels helps block radiant heat, lowering indoor temperatures and indirectly reducing electricity consumption for air conditioning. <table><tr><th>Location</th><th>Start Date</th><th>Capacity</th><th>2025 Power Generation (kWh)</th><th>2025 CO₂ Reduction (kg)</th></tr><tr><td>36, Xinggong Road</td><td>2015/10</td><td>499.5kW</td><td>585,714.700</td><td>277,628.7678</td></tr><tr><td rowspan="3">1, Gongyi Road</td><td>2016/01</td><td>499.5kW</td><td>567,306.100</td><td>268,903.0914</td></tr><tr><td>2024/06</td><td>369.5kW</td><td>488,396.000</td><td>231,499.7040</td></tr><tr><td>2024/12</td><td>499.6kW</td><td>616,472.000</td><td>292,207.7280</td></tr><tr><td>4, Gongdong 3rd Road</td><td>2018/10</td><td>477.3kW</td><td>532,908.000</td><td>252,598.3920</td></tr><tr><td>1200, Zhongshan Road, Sec. 1</td><td>2024/05</td><td>499.7KW</td><td>473,297.000</td><td>224,342.7780</td></tr></table> 3. In accordance with applicable regulations and the Company' s EHS Management Manual, including the "EHS Policy" and "Environmental Operation Management Procedures," the Company manages emissions related to air, water, and waste in compliance with legally established standards. The General Affairs Department is responsible for inspection and management. In addition, employees are encouraged to participate in water conservation initiatives, and green management practices are integrated into the Company' s sustainable business strategy.			Location	Start Date	Capacity	2025 Power Generation (kWh)	2025 CO ₂ Reduction (kg)	36, Xinggong Road	2015/10	499.5kW	585,714.700	277,628.7678	1, Gongyi Road	2016/01	499.5kW	567,306.100	268,903.0914	2024/06	369.5kW	488,396.000	231,499.7040	2024/12	499.6kW	616,472.000	292,207.7280	4, Gongdong 3rd Road	2018/10	477.3kW	532,908.000	252,598.3920	1200, Zhongshan Road, Sec. 1	2024/05	499.7KW	473,297.000	224,342.7780	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEX 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"																																	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies																																				
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(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		1.Greenhouse gas emission The Company’ s greenhouse gas inventory results, assurance status, and reduction policies are detailed in 3.7.2 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. Water Usage in the Last Two Years:<table><tr><td></td><td>2024</td><td>2025</td></tr><tr><td>Water Consumption (ML)</td><td>22.603</td><td>24.413</td></tr><tr><td>Wastewater Discharge (ML)</td><td>20.821</td><td>23.189</td></tr><tr><td>Water Usage (ML)</td><td>1.782</td><td>1.223</td></tr></table> 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 discharge standards for the sewer system, thereby reducing the burden on the industrial area’ s wastewater treatment system. In 2025, no fines were issued for violations of wastewater discharge standards. 3.Waste Management The Company manages waste in accordance with 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 across storage, transportation, recycling, 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 in accordance with the Ministry of Environment’ s regulations. To ensure proper disposal of each batch of waste, the Company conducts periodic visits to its service providers, documenting and tracking the final disposal certificates provided by the contractors. Starting from 2025 (Year 114), the Company has included waste generation and recycling volumes from all sites in Taiwan in its data scope. Going forward, it will further categorize recycled materials in greater detail to facilitate the development of more precise waste reduction targets. Waste Generation in the Last Two Years:<table><tr><td>(tons)</td><td>2024</td><td>2025</td><td>Disposal Method</td></tr><tr><td>Inorganic Sludge (D-0902)</td><td>23.10</td><td>20.40</td><td>Physical Waste Treatment</td></tr><tr><td>Waste Dust (D-1099)</td><td>3.01</td><td>4.50</td><td>Physical Waste Treatment</td></tr><tr><td>Recycle</td><td>2.58</td><td>253.03</td><td>Recycled and Reused</td></tr><tr><td>Household Waste (D-1801)</td><td>23.75</td><td>22.5</td><td>Incineration</td></tr><tr><td>Total Waste</td><td>70.29</td><td>300.43</td><td></td></tr></table>		2024	2025	Water Consumption (ML)	22.603	24.413	Wastewater Discharge (ML)	20.821	23.189	Water Usage (ML)	1.782	1.223	(tons)	2024	2025	Disposal Method	Inorganic Sludge (D-0902)	23.10	20.40	Physical Waste Treatment	Waste Dust (D-1099)	3.01	4.50	Physical Waste Treatment	Recycle	2.58	253.03	Recycled and Reused	Household Waste (D-1801)	23.75	22.5	Incineration	Total Waste	70.29	300.43		Compliance with “Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies”
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4. Social issues (1). Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The Company is committed to upholding internationally recognized human rights standards, including the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labor Organization’ s Declaration on Fundamental Principles and Rights at Work, while complying with all applicable laws and regulations. To align with international human rights conventions and employment standards, and to respond to stakeholder expectations, the Company has established a Social Responsibility Management Manual and a Sustainability Practices Manual, committing to safeguarding the human rights of all employees and regular on-site non-employee workers. The Company also conducts periodic training programs to strengthen employee engagement, cohesion, and overall competitiveness. In addition, the Company incorporates human rights policies, including requirements on freedom of association and collective bargaining, into its supplier audit and management processes, requiring suppliers to comply with and improve upon these standards in accordance with labor laws and regulations. The Company strictly prohibits any form of threats, abuse, exploitation, or forced sexual harassment in the workplace. The Company does not tolerate any threatening, abusive, exploitative, or coercive sexual harassment behaviors in the workplace. The Group strictly complies with social responsibility regulations and national labor laws, and strictly prohibits the use of child labor. If any instance of child labor is identified, appropriate remedial measures will be taken. Furthermore, the Group has established policies and procedures to annually review occupational health and safety regulations and ethical standards, and to prohibit all forms of forced labor and eliminate discrimination in employment. The Company ensures that its human resource policies do not discriminate based on gender, race, socioeconomic status, age, marital or family status, thereby promoting equality and fairness in employment, working conditions, compensation, benefits, training, performance evaluation, and promotion opportunities. All employees are required to work on a voluntary basis. If any of the above situations are identified, labor representatives, together with management representatives, will complete a preliminary investigation and implement response measures within one week. No such incidents occurred in 2025 (Year 114). In 2025, a total of 222 hours of training related to international human rights conventions were conducted. <table><tr><th>Matter of Concern</th><th>The Company’ s Specific Management Plan</th><th>2025 Number of Cases</th></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 prevention management procedures are in place to ensure 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 the Labour Standards Act, prohibit the use of child labour, and establish procedures for child and youth labour 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 in place therefor.</td><td>0</td></tr></table>	Matter of Concern	The Company’ s Specific Management Plan	2025 Number of Cases	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 prevention management procedures are in place to ensure 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 the Labour Standards Act, prohibit the use of child labour, and establish procedures for child and youth labour 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 in place therefor.	0	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
	Yes	No	Yes	
(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		1. According to the Company' s Articles of Incorporation, a minimum of 1% of the current year' s profit shall be distributed as employee compensation, and a maximum of 5% shall be distributed as remuneration for directors. However, if the Company has accumulated losses, such profits shall first be used to offset the losses. 2. The Company regularly communicates and clarifies internal regulations to all employees through internal meetings and advocacy emails, with all relevant activities duly recorded. Furthermore, the Company has established "Personnel Regulations" and "Mid-year and Year-end Employee Performance Appraisal Procedures." We ensure that all rewards and disciplinary actions are handled fairly and impartially in accordance with these policies. These cases are also incorporated into the Company's annual performance indicators to demonstrate its commitment to rigorous internal governance. 3. The Company' s annual bonus system is based on 2% of the annual net operating profit. Distribution to all employees is determined by their seniority and annual performance appraisal results to motivate collective effort toward corporate goals. Additionally, the Company' s treasury stock buyback program is intended for transferring shares to employees, with allocations granted based on the results of the mid-year and year-end performance evaluations. Based on the appraisal results, the Company motivates employees through employee compensation, annual bonuses, treasury stock transfers, and employee stock options, effectively linking the performance evaluation mechanism with various salary and benefit packages.	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies"
(3). Does the company provide a safe and healthy working environment and provide employees with regular safety and health training?	V		<u>Occupational Safety and Health</u> The Company adheres to the philosophy of employee care and prioritizes workplace safety and health. We have implemented the ISO 45001 Occupational Health and Safety Management System and established an Occupational Health and Safety Committee in accordance with the Occupational Safety and Health Act. Chaired by the General Manager, the committee consists of 13 members, including labor representatives, occupational safety and health personnel, department heads, and medical staff. Labor representatives account for 5 members (38%). Meetings are held quarterly to review policies and track performance, aiming for zero disasters, zero occupational diseases, and zero accidents to create an optimal working environment and mitigate operational risks arising from employee injuries. In 2025, no major occupational disasters occurred within the Company' s Taiwan operations. General occupational injuries primarily involved entanglement caused by unsafe behaviors (non-mechanical failures). Due to increased headcount, department heads have increased on-site patrols. Furthermore, factories have gradually adopted automation, including automated sealing machines, lifting platforms, and robotic arms, to reduce manual handling injuries and associated risks. The following information covers three factories in Changhua, Taiwan: the Changhua Main Plant with 349 people (including 9 contractors), Changhua Plant II with 73 people (including 1 contractor), and Changhua Plant V with 31 people (including 1 contractor). In accordance with the Occupational Safety and Health Act and the Occupational Safety and Health Education and Training Rules, new hires undergo 6 hours of pre-employment occupational safety and health training. Conducted by safety and health personnel, the curriculum covers regulations, operational inspections, standard operating procedures (SOPs), emergency response, fire safety, first aid, and the right to refuse dangerous work. Such training effectively prevents incidents and alerts employees to potential hazards. Additionally, personnel operating overhead cranes or forklifts on production lines must receive external training and obtain relevant certifications before operation. Regular retraining is conducted to ensure the continued validity of these certifications. Furthermore, the Group has formulated the Environmental, Health, and Safety (EHS) Policy and Environmental Operational Management Procedures within its EHS Management Manual. Emissions related to air, water, and waste are managed and inspected by the General Affairs Department in accordance with statutory standards. We also encourage employee participation in water conservation and integrate green management into our corporate sustainability strategy.	

Evaluation Item	Implementation status			Discrepancy with industry standards in sustainable development practices and reasons for listed companies
	Yes	No	Yes	
			<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 2. Strengthen On-Site Inspections The Company believes prevention is always better than treatment. This makes on-site safety observation and auditing a critical task, enabling the identification of unsafe behaviors, environments, and equipment in advance and the implementation of measures to ensure that every employee is working under safety protection. Therefore, the supervisor must conduct frequent on-site patrols. 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 The Company reviews the hazards associated with on-site chemical operations using Safety Data Sheets (SDS). We implement the Chemical Control Banding (CCB) system, as established by the Occupational Safety and Health Administration of the Ministry of Labor, to classify hazard groups and educate employees on hazard identification. Currently, the Group does not use any high-risk or hazardous controlled chemicals in its production processes. When procuring from suppliers, the Group requires the corresponding Safety Data Sheets to ensure that all chemicals used in the manufacturing process are classified as non-hazardous according to the Globally Harmonized System of Classification and Labeling of Chemicals (GHS). 4. Safety and Health Management of Contractors Before contractors enter the plant, the contracting department must conduct hazard notifications and obtain signatures on relevant documentation. These documents clearly specify the construction time and location, potential hazards in the working environment—such as cuts and crush injuries—and provide instructions on safety preventive measures. <u>Training Situation</u> In 2025, the company conducted a total of 211 hours of external training and 2,060 hours of internal training related to workplace safety. <u>Certification Status</u> The company has obtained ISO 45001 certification for Occupational Health and Safety Management.	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies"
(4). Does the company set up effective career development and training programs for its employees?	V		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, it encourages employees to participate in internal and external training to enhance their practical skills. 2. In 2025, the company offered 106 internal and external training courses, totaling 5,645 hours of training. A total of 3,075 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. 3. In addition to providing employees with a tool for self-assessment, this also serves as a basis for the company's future training curriculum planning. We encourage employees to continuously expand their capabilities and gain different perspectives on decision-making in and out of the workplace. In 2025, 57 colleagues applied for further education subsidies.	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	
(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		1. Customer health and safety The Company values quality, implements ISO operational processes, and complies with relevant governmental regulations on R&D, procurement, production, operations, and services to ensure transparency and security of product labeling and service information through internal controls. 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. 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 being made internationally compliant. The Company has a complaint line and e-mail address for handling complaints or disputes to protect consumer rights. 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).	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies"
(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?			1. All suppliers must sign a Supplier Responsibility Commitment before cooperation, pledging to comply with national and local labor laws and social standards. 2. 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 3. As the company's main export markets include EU countries, all materials must comply with RoHS, REACH, and PAH regulations. Suppliers must provide certified test reports or self-declarations that ensure the materials are harmless to human health and environmentally safe. 4. 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. 5. 2025 Supplier Compliance & Implementation Summary: (1) Hazardous Substance Restrictions Compliance: 371 suppliers signed the Hazardous Substance Restriction Guarantee, covering 68.2% 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 258 suppliers. (4) Supplier Occupational Safety Commitment: 292 suppliers signed the Supplier Safety & Health Commitment, aligning with the ISO 45001 Occupational Health & Safety Management System.	Compliance with "Sustainable development Best Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation status			
	Yes	No	Yes	Discrepancy with industry standards in sustainable development practices and reasons for 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		The Company has prepared the 2024 Sustainability Report in accordance with 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. The 2024 Sustainability Report includes a GRI content index, verified by AFNOR Group and certified with SGS AA1000 Type 1 Moderate Assurance. Past Sustainability Reports are publicly available on the company website: https://dyacoesg.com/en/download/.	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.				
7. Other important information to facilitate better understanding of the implementation of Sustainable Development: The implementation of Sustainable Development in 2025				
Community involvement, social contribution, social services and social benefits	- Since 2024, the company has been conducting ISO 14064-1 greenhouse gas (GHG) inventory operations for its group and subsidiaries. This aims to obtain ISO 14064-3 certification in 2025. Once the group's overall GHG emissions are confirmed, a comprehensive carbon-reduction plan will be formulated. - The Company established the Dyaco International Charity Foundation, which collaborates with social welfare organizations to run the "Dyaco 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 2025, the program supported 15 children. - To improve the accessibility and searchability of Dyaco's sustainability information, we have completed a comprehensive update and restructuring of the Group's official website. The sustainability section has been transitioned from a sub-page into a dedicated, standalone platform. This enhancement optimizes our information disclosure channels and strengthens our external communication with stakeholders. - 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 Silver-Level Green Building Candidate Certificate.			
Support domestic cultural development	The Company actively participates in the investment and development of the cultural and creative industries, aiming to drive industry-wide progress through concrete actions while fulfilling its Corporate Social Responsibility (CSR) commitments. To this end, the Company has invested NT\$4 million to acquire a 40% equity stake in Hong Da Xin Projection Co., Ltd., and NT\$7.5 million to acquire a 7.5% equity stake in Florence Creative Co., Ltd. Hong Da Xin Projection Co., Ltd., in collaboration with FarEasTone Telecommunications, Star Ritz, and Pili International Multimedia, established the joint venture "IDEAWORKS Entertainment Co., Ltd." in 2022. This venture is dedicated to the production and investment of high-quality Taiwanese film and television content. In addition to enriching the friDay Video streaming platform's content library, the partnership aims to promote Taiwanese audiovisual and literary works through expanded collaborations, with the goal of international distribution. In 2025, Florence Creative Co., Ltd. utilized Augmented Reality (AR) interactive technology to bridge art and innovation. Key curated exhibitions held during the year included the Bologna Illustrators Exhibition, the Impressionist 150th Anniversary Light and Shadow Art Exhibition, and Ukiyo-e in Motion: The Masterpieces of Japanese Art. The Company remains committed to fostering the development of Taiwanese film, television, and literary content, with strategic plans to introduce these works to international markets, including Japan and South Korea. By facilitating the entry of Taiwanese content onto the global stage, we will continue to forge partnerships and deepen cross-border collaborations, ensuring that Taiwan's cultural and creative industries shine globally.			

Climate-related Information

1. Climate-related Information and Implementation Status :

Item	Implementation Status																
1. Specify the supervision and governance that the Board of Directors and the management have on climate-related risks and opportunities.	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. In accordance with 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 regularly. 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. In 2025, 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. Chairperson Vice Chairperson Member Executive Secretary ESG Working Group Corporate Governance Partnership Value Lnnovation Joyful Workplace Sutainability Social Concern																
2. Specify how the identified climate risks and opportunities impact corporate business, strategies, and finance(short-term, mid-term, long-term).	In line with the global commitment to achieving "net-zero emissions by 2050," the Company 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 focused on energy consumption, greenhouse gas emissions management, and inventory management. For the medium-term (5-year) and long-term (10-year) goals, the Company aims to improve energy resource efficiency based on carbon inventory results and progressively reduce greenhouse gas emissions year by year. <table><tr><th>Risk Level</th><th colspan="2">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><tr><td>Significant</td><td>Transition Risks</td><td>Policy and Legal Risks</td><td>Greenhouse gas reduction and carbon pricing</td><td>In line with domestic regulatory authorities' goals to reduce carbon emissions and address climate change, Dyaco must conduct carbon inventories and implement carbon-reduction plans. Additionally, with the government promoting carbon pricing mechanisms, exceeding carbon emission limits may result in fines, thereby increasing operational costs.</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 develop carbon-reduction plans.</td></tr></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	In line with domestic regulatory authorities' goals to reduce carbon emissions and address climate change, Dyaco must conduct carbon inventories and implement carbon-reduction plans. Additionally, with the government promoting carbon pricing mechanisms, exceeding carbon emission limits may result in fines, thereby increasing operational costs.	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 develop carbon-reduction plans.
Risk Level	Risk Type		Risk Factors	Risk Description	Financial Impact	Impact Duration	Response Strategies and Objectives for Dyaco										
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								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.
			Market Risk	Change in customer preferences	In response to the global or regional rise in sustainability awareness, customers are increasingly preferring low-carbon or environmentally friendly products. Products that do not meet consumer demand may be eliminated from the market.	Decrease in income. Increase in research and development expenses.	Short-term (3 years)	
				Rise in raw material costs	Climate change increases the cost of raw materials. This results in suppliers raising their costs to us, thereby increasing manufacturing costs.	Increase in operating costs.	Medium-term (5 years)	Conducting supplier audits and surveys to understand the greenhouse gas emissions of each supplier, and 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 rising raw-material costs.
			Technology Risk	Low-carbon technology transformation	Due to the factors 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.	Increase in operating costs. Increase in operating expenses.	Short-term (3 years)	Dyaco plans to conduct an 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 disrupt the company's operations. This could lead to flooding or water accumulation in the factory, resulting in 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 across various locations, ensuring personnel safety. Additionally, we will implement supply chain management measures to reduce the risk of disruptions caused by shortages or supply chain disruptions.
	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 for rooftops in the construction of new facilities and through participation in renewable energy projects.		The initial setup of solar power generation may incur additional costs, but subsequent solar power generation can increase revenue by 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 green and sustainable image and reputation.		The product will incur increased research and development expenses during development and manufacturing. However, once the product is sold, it will contribute to higher operating income.		Medium-term (5 years)
3. Specify the impacts of extreme weather incidents and the transitional action on finance.	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. The Company will analyze and assess the identified risks using a risk matrix to evaluate the likelihood and potential impact of each risk, and develop climate change strategies and response measures accordingly. Regarding extreme weather events, the Company has identified secondary risks, including typhoons and heavy rainfall. The increasing frequency of severe typhoons and extreme rainfall events could disrupt business operations or cause 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 across all sites to ensure personnel safety. In addition, the Company will enhance supply chain management to minimize the risk of operational disruptions caused by supply shortages or supply chain interruptions.							
4. Specify how the climate risk identification, evaluation, and management procedures are integrated in the overall risk management system.	The Company has established the "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, setting short-, medium-, and long-term goals, and evaluating performance outcomes. The Committee regularly reports to the Board of Directors. 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. 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.							
5. If scenario analysis is applied in the evaluation of resilience against climate change risk, the scenario.	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 every 3 years, and scenario analysis is expected to be incorporated into the next assessment cycle.							

parameters, assumptions, and analysis factors adopted as well as primary financial impacts shall be clarified.	
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.	Amid the global trend toward sustainable development and green energy, the Company is proactively evaluating and pursuing opportunities arising from climate change. Through concrete actions, we aim to strengthen corporate resilience, expand market presence, and enhance financial performance. Regarding Resilience, the Company supports renewable energy projects and implements energy-saving measures. In response to green energy development, we have leased the rooftops of our three factories in the Changhua area to third-party contractors for solar panel installation and have planned rooftop solar power systems during the construction phase of new plants. Although the initial setup requires increased capital expenditure for equipment construction, subsequent revenue will be generated through rooftop rental income. This impact is primarily expected in the short term (within three years). In terms of Market Opportunities, the Company is actively entering emerging markets and increasing consumer purchase intent. We have invested in the development and manufacturing of electric-assisted bicycles and will continue to promote the R&D of low-carbon products to meet consumer demand for green energy products, further enhancing our corporate image of sustainability and brand reputation. Although the initial R&D and manufacturing phases will entail increased research expenditures, the subsequent market launch and sales of these products will drive growth in operating revenue. This impact is expected to manifest in the medium term (approximately five years). Through these strategies, the Company demonstrates a proactive, forward-thinking approach to climate-related opportunities, aiming to drive long-term corporate growth and value creation while promoting environmental sustainability.
7. If internal carbon pricing is adopted as the planning tool, the pricing criteria shall be clarified.	The company currently does not use internal carbon pricing as a planning tool.
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.	In response to global climate change and the net-zero trend, the Company is committed to reducing greenhouse gas emissions throughout its operations by promoting energy efficiency and low-carbon transformation. This commitment aims to achieve corporate sustainability goals, fulfill our environmental promises, and collectively realize the "2050 Net-Zero Emissions" target. The Company has established a management system and four strategic pillars for sustainable development based on the ISO 14064-1 greenhouse gas inventory standard. The Sustainability Task Force coordinates carbon-reduction strategies and goal-setting, conducts annual greenhouse gas inventories, and oversees third-party verification to confirm emission levels and the effectiveness of reductions. The results are reported annually to the Board of Directors for review to ensure that all objectives remain consistent with implementation progress. Please refer to the detailed description below.
1. . 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 must begin greenhouse gas inventory on an individual basis by 2026.

Subsidiaries included in the consolidated financial statements must begin greenhouse gas inventory by 2027.

The consolidated company has established a greenhouse gas (GHG) inventory mechanism in accordance with the Greenhouse Gas Protocol issued by the World Business Council for

Sustainable Development (WBCSD) and the World Resources Institute (WRI), as well as ISO 14064-1. Since 2021, the Company has conducted annual GHG inventories for its individual entity. Starting in 2024, the Company expanded these regular inventories to include all subsidiaries within the consolidated financial report to fully track GHG usage and emissions while verifying the effectiveness of reduction initiatives.

Furthermore, the GHG inventory data for the most recent two years is based on the operational control approach and includes emissions from the Company and all consolidated subsidiaries, as detailed below:

		2024		2025	
		Total emissions (tCO ₂ e)	Density	Total emissions (tCO ₂ e)	Density
Parent company	Scope 1: Direct GHG emissions	506.4351		486.1744	
	Scope 2: Indirect GHG emissions	1,491.0265		1,551.2674	
	Subtotal	1,997.4616		2,037.4417	
All Subsidiaries Included in the Consolidated Financial Statements	Scope 1: Direct GHG emissions	1,084.5558		638.9504	
	Scope 2: Indirect GHG emissions	1,621.6193		535.6823	
	Subtotal	2,706.1751		1,174.6328	
Total		4,703.6367	0.6517	3,212.0745	0.5248

Note1: 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 indirect energy emissions must comply with the timeline set out 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 the Taipei office, the Taichung office, Factory 1, 2, and 5 in Changhua, and the Dajia factory.

(2) Greenhouse Gas Assurance Information

The parent company must begin assurance on an individual basis 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		2024 Total emissions (tCO ₂ e)	2025 Total emissions (tCO ₂ e)
Parent company	Scope 1: Direct GHG emissions	506.4351	486.1744
	Scope 2: Indirect GHG emissions	1,491.0265	1,551.2674
	Total	1,997.4616	2,037.4417
	The percentage of the inventory data disclosed in Section 1-1-1 covered by the assurance.	42.47%	63.43%
All Subsidiaries Included in the Consolidated Financial Statements	Scope 1: Direct GHG emissions	1,084.5558	638.9504
	Scope 2: Indirect GHG emissions	1,621.6193	535.6823
	Total	2,706.1751	1,174.6328
	The percentage of the inventory data disclosed in Section 1-1-1 covered by the assurance.	57.53%	36.57%
Verifying/ Validating institution		AFAQ-AFNOR GROUP	DNV Business Assurance Co., Ltd.
Description of verification/ validation status		The company conducted verification with reasonable assurance by the ISO 14064-1:2018 standard.	Reasonable assurance by the ISO 14064-1:2018 standard on Categories 1 & 2. Limited Assurance by the ISO 14064-1:2018 standard on Categories 3 - 6.
Assurance Opinion/ Conclusion		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

The Company has designated 2024 as the base year for its greenhouse gas (GHG) inventory. The rationale is as follows: Starting in 2024, the Company conducted its first GHG inventory for all domestic and overseas subsidiaries using internal experts and established a systematic management framework. Given the high accuracy of the quantified data and to ensure the credibility of the inventory results, 2024 has been selected as the base year.

In 2025, the total greenhouse gas (GHG) emissions for the entire Group amounted to 17,564.4209 tCO₂e. This includes Category 1 emissions of 1,125.1248 tCO₂e, Category 2 emissions of 2,086.9497 tCO₂e, and Category 3 to 6 emissions of 14,352.3463 tCO₂e.

To plan our GHG reduction strategy and further implement the "2050 Net Zero Emissions" goal, we have established the following concrete actions: (1) Establishing standards for new plants and machinery to address climate change and GHG reduction; (2) Optimizing manufacturing processes with the goal of reducing air pollution; (3) Identifying high-carbon emission hotspots and formulating carbon reduction plans; (4) Conducting annual GHG inventories and third-party verification to confirm emissions across all scopes and evaluate reduction effectiveness; (5)

Disclosing results and analysis in the annual Sustainability Report as a basis for rolling adjustments to next-stage targets; and (6) Regularly reviewing policy content and target settings based on internal and external environmental changes to ensure alignment with international trends (such as SBTi and TCFD recommended frameworks).

The Company will formulate key climate performance indicators (KPIs) regarding green energy, water, and electricity reduction, and product design. We have already obtained the ISO 14064-1 GHG Inventory Statement for the entire Group. Regarding GHG reduction, we will regularly review our progress against emission targets each year and have established a 2050 Net Zero plan. The specific targets and strategies for GHG emission reduction are as follows:

	Short-term (2030)	Mid-term (2040)	Long-term (2050)
Reduction Goals	2024 as the base year ●Category 1 reduced 3% ●Category 2 reduced 8% ●Category 3~6 reduced 5%	2024 as the base year ●Category 1 reduced 10% ●Category 2 reduced 15% ●Category 3~6 reduced 12%	2024 as the base year ●Category 1 reduced 30% ●Category 2 reduced 35% ●Category 3~6 reduced 30%
Actions	●Implementing a Manufacturing Execution System (MES) in the production process to enhance production efficiency by 20%, while increasing the use of recycled plastics and improving the recycling and reuse rate of raw materials. ●Minimizing environmental impact from a product perspective by developing low-carbon products, introducing circular economy design concepts, and reducing packaging materials.	●Conducting inventories and hotspot analysis for high-energy-consuming equipment, while continuously implementing PDCA (Plan-Do-Check-Act) improvement activities to enhance production performance. We aim to establish product's carbon footprint labels and set a target of 25% for revenue share from green products, while also assisting suppliers in setting their own net-zero emission targets.	●Replacing high-energy-consuming equipment and driving smart manufacturing through AI, setting a goal for zero-waste production, and systematizing product carbon footprint tracking to increase the revenue share of green products to 50%. ●Regarding Category 3 – 6 emissions, establishing a product recycling system and a green logistics network, with a target of achieving 100% net-zero

	●Regarding energy, in addition to continuously replacing legacy equipment with PV + Energy Storage + EMS solutions, the Company will expand its solar power systems to increase the utilization of green electricity across its Taiwan plants.	●Evaluating the installation of "front-of-the-meter" energy storage systems to prioritize the integration of existing solar power into internal electricity consumption. By implementing an EMS management system into our internal smart grid, we aim to reduce Category 2 emissions by 15% compared to the 2024 baseline.	commitment from suppliers. ●Continuously enhancing self-generation and energy storage capabilities, scaling green energy usage to 15% across the entire Group, and reducing Category 2 emissions by 25% compared to the 2024 baseline.
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2.3.6 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	
1. Establishment of policy and program for ethical corporate management (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?	V		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. 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. 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.	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
(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" ?	V		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. 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.	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
(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?	V		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. 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. 3.No complaints about unethical conduct in 2025.	Compliance with " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies"
2. Ethical Management Practice (1). Whether the company has evaluated the ethical records of business partners and include business conduct and ethics related clauses in the contracts?	V		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.	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		- 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 2025 promotion of ethical management was reported to the Board of Directors on December 29, 2025. - The Company has implemented the policy of ethical management, with a summary of the implementation status in fiscal 2025 as follows: - The 2025 educational training related to ethical management practices includes various regulatory advocacy (see Note 1) for a total of 1,316 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 2024, 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 August 10, 2025.	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		- 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		- 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		- 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 2025 educational training regarding ethical business practices includes various regulatory advocacy for a total of 1,316 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		- 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		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. 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). 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."	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 2025 educational training regarding ethical business practices

Course	Number of People	Hours
Practical Writing for ESG Sustainability Reports.	1	24
Seminar on Sustainability Information Management and Key Practices for Internal Control and Audit.	1	6
Audit Practice Seminar on Annual Operating Plans and Budget Preparation.	1	6
Carbon Neutrality Lead Verifier Course.	1	18
Human Resources Manager Certification Course.	1	36
Labor/Health Insurance and Labor Regulation Manager Course.	1	36
Net-Zero Green Collar Talent Training Program (Northern Region Center, Ministry of Environment).	1	48
Continuing Education for Accounting Managers	1	12
KPMG Seminars on Accounting Practice and Regulatory Updates.	3	51
IFRS 18: Presentation and Disclosure in Financial Statements—Standards and Practical Analysis.	1	6
Management of Sustainability Information: Key Internal Control/Audit Points and Case Analysis.	1	6
Continuing Education for Deputy Accounting Managers.	1	12
Compliance Training on Social Responsibility, Anti-Terrorism, Anti-Bribery, Information Security, and Personal Data Protection.	545	1
Training on Workplace Sexual Harassment Prevention, Complaints, and Disciplinary Procedures.	75	1
Training on Personal Data Protection and Management Operating Procedures.	75	1

2.3.7 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 four 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) Two Corporate Sustainability Committee meeting was convened in 2025 (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 5 th meeting of the 2 nd Corporate Sustainability Committee on May 13, 2025	Identification of 2025 Sustainability Material Issues.
	Resolution of the Corporate Sustainability Development Committee: Reviewed and approved without objection by the Corporate Sustainability Development Committee, and subsequently submitted to and approved by the Board of Directors.
	The Company' s response to the Sustainability Development Committee' s opinions: Executed in accordance with the resolutions of the Corporate Sustainability Development Committee and the Board of Directors.
The 6 th meeting of the 2 nd Corporate Sustainability Committee on August 12, 2025	Review and approval of the 2024 Sustainability Report.
	Resolution of the Corporate Sustainability Development Committee: Reviewed and approved without objection by the Corporate Sustainability Development Committee, and subsequently submitted to and approved by the Board of Directors.
	The Company' s response to the Sustainability Development Committee' s opinions: Executed in accordance with the resolutions of the Corporate Sustainability Development Committee.
	Identification of 2025 Sustainability Material Issues.
	Resolution of the Corporate Sustainability Development Committee: Reviewed and approved without objection by the Corporate Sustainability Development Committee, and subsequently submitted to and approved by the Board of Directors.

(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 2025 overall performance of the directors was 5 out of 5 and was reported to the Board at its first quarter meeting in 2026.

(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 2025 business promotion was as follows and reported to the Board of Directors on December 29, 2025:

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 51 hours of the director training courses during 2025.
Evaluated the purchase of directors liability insurance.	The renewal of insurance was completed on September 15, 2025 and reported to the Board on November 11, 2025.
The agenda of the Board meeting followed the procedure of the Board meeting.	Held 2025 Board meetings.
The agenda of the shareholder meeting followed the procedure of the shareholder meeting.	Held 2025 shareholder meeting.
Stakeholder communication report.	Stakeholder communication report was reported to the Board on December 29, 2025.
Planned and implemented annual corporate governance evaluation.	The results of the 2024 Corporate Governance Evaluation were announced, with the Company ranking in the top 1% of all listed companies with a market capitalization of NT\$5 billion or more.

(2) The corporate governance training courses for corporate governance director in 2025:

Date		Host by	Course	Duration	Total Hours in 2025
From	To				
2025.06.10	2025.06.10	Taiwan Stock Exchange	CDP Taiwan Launch Event: Strengthening Climate Information Disclosure to Enhance Corporate Climate Resilience.	3	18
2025.07.09	2025.07.09	Taiwan Stock Exchange	2025 Cathay Sustainable Finance and Climate Change Summit Forum.	9	
2025.09.08	2025.09.08	Taiwan Stock Exchange	CDP Workshop on IFRS S2 Question Analysis: Strengthening Climate Information Disclosure to Enhance Corporate Climate Resilience.	6	

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 2025, 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
2025.01.09	Important Notice: Insider Trading Prevention Awareness—Stock Trading Lock-up Period from 2025/02/10 to 03/12 prior to financial report release (Advance notice for the 2024 Q4 financial report announcement).
2025.02.21	Notification to insiders regarding common types of violations in reporting changes of insider shareholdings under the Securities and Exchange Act.
2025.04.08	2025/04/01: Notification to insiders regarding common types of violations in reporting changes of insider shareholdings under the Securities and Exchange Act.
2025.04.21	Important Notice: Insider Trading Prevention Awareness—Stock Trading Lock-up Period from 2025/04/28 to 05/13 prior to financial report release (Advance notice for the 2025 Q1 financial report announcement).
2025.06.27	Important Notice: Insider Trading Prevention Awareness—Stock Trading Lock-up Period from 2025/07/28 to 08/12 prior to financial report release (Advance notice for the 2025 Q2 financial report announcement).
2025.06.18	2025/06/06: Notification to insiders and relevant personnel regarding common violations in the buyback of company shares (treasury shares) by listed companies.
2025.09.22	2025/09: Notification to insiders and relevant personnel regarding common violations in the buyback of company shares (treasury shares) by listed companies.
2025.10.20	2025/10: Notification to insiders regarding common types of violations in reporting changes of insider shareholdings under the Securities and Exchange Act.
2025.10.20	Important Notice: Insider Trading Prevention Awareness—Stock Trading Lock-up Period from 2025/10/27 to 11/11 prior to financial report release (Advance notice for the 2025 Q3 financial report announcement).

B. External Training

Training Course Name	Training Organization	Training Organization	Training Date	Duration (Hours)	Number of Trainees
Legal Risk Analysis: Prevention of Insider Trading and Labor Disputes.	Chinese Corporate Governance Association	Board Members	2025.08.07	3	1
2025 Insider Trading Prevention Awareness Seminar.	Securities and Futures Markets Development Foundation	Board Members	2025.09.26	3	1
2025 Insider Trading Prevention Awareness Seminar.	Securities and Futures Markets Development Foundation	Corporate Governance Supervisors	2025.05.26	3	1
2025 Insider Trading Prevention Awareness Seminar.	Securities and Futures Markets Development Foundation	Audit Supervisors	2025.05.26	3	1

4. In fiscal year 2025, the Company's Corporate Governance Officer undertook 21 hours of corporate governance related courses and training.

2.3.8 Implementation of Internal Control System

1. Internal Control System Statement

Dyaco International Inc.
Internal Control System Statement

Date: March 10, 2026

In 2025, 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, 2025 (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 10, 2026, 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.

2.3.9 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 2025 shareholders' meeting and their implementation :

(1) Business report and financial statements for the year 2024.

Implementation status: The 2024 financial statements were audited and signed by Mr. Chen, Chung-Che and Ms. Tsou, Yi-Yun of KPMG Taiwan, and were audited by the Audit Committee together with the business report. It has been approved by the shareholders' meeting.

(2) The 2024 Earnings Distribution Proposal.

Status of execution: Appropriated NT\$87,158,046 from shareholder dividends for the distribution of cash dividends. The proposal was approved by the Board of Directors on March 12, 2025, and subsequently approved by a vote at the Shareholders' Meeting.

(3) Amendment to the Company' s "Articles of Incorporation."

Status of execution: In response to operational management requirements, certain articles of the "Articles of Incorporation" were amended. The proposal was approved by a vote at the Shareholders' Meeting.

2. Important resolutions of the Board of Directors :

Date and Period	Important resolutions	Resolution results
The 10th meeting of the 12th Board of Directors on February 13, 2025	(1) Transfer of the 6th treasury shares to managers and employees.	Approved by all directors present
	(2) Review of the 2025 (Year 114) cash capital increase through the issuance of new shares and the allocation of stock options to managers and employees.	Approved by all directors present
	(3) Determination of issuance terms and related matters for the cash capital increase.	Approved by all directors present
The 11th meeting of the 12th Board of Directors on March 12, 2025	(1) Reclassification of accounts receivable from related parties to other receivables and recognition as loans to others.	Approved by all directors present
	(2) 2024 Financial Statements and Business Report.	Approved by all directors present
	(3) 2024 earnings distribution as cash dividends.	Approved by all directors present
	(4) 2024 Earnings Distribution Table.	Approved by all directors present
	(5) 2024 distribution of remuneration for employees and directors	Approved by all directors present
	(6) 2024 Internal Control System Statement.	Approved by all directors present
	(7) Application for bank financing facilities.	Approved by all directors present
	(8) Cardio Fitness ° Loan from sub-subsidiary Fuel Spirit to sub-subsidiary Cardio Fitness.	Approved by all directors present
	(9) Amendment to the Articles of Incorporation.	Approved by all directors present
The 12th meeting of the 12th Board of Directors on May 13, 2025	(1) Reclassification of accounts receivable from related parties to other receivables and recognition as loans to others.	Approved by all directors present
	(2) Q1 2025 (Year 114) Consolidated Financial Statements.	Approved by all directors

Date and Period	Important resolutions	Resolution results
		present
	(3) Application for bank financing facilities.	Approved by all directors present
	(4) Renewal of endorsement and guarantee for subsidiary Wing Long.	Approved by all directors present
	(5) Renewal of endorsement and guarantee for subsidiary IUVO INDUSRTY	Approved by all directors present
	(6) Loan from sub-subsidiary Fuel Spirit to subsidiary City Sport.	Approved by all directors present
	(7) Capital increase and capital reduction for subsidiary Dyaco UK.	Approved by all directors present
	(8) Establishment of the "Dyaco International Inc. Employee Stock Ownership Trust Committee."	Approved by all directors present
The 13th meeting of the 12th Board of Directors on June 4, 2025	(1) 6th share buyback proposal.	Approved by all directors present
The 14th meeting of the 12th Board of Directors on August 12, 2025	(1) Reclassification of accounts receivable from related parties to other receivables and recognition as loans to others.	Approved by all directors present
	(2) Q2 2025 (Year 114) Consolidated Financial Statements.	Approved by all directors present
	(3) Application for bank financing facilities.	Approved by all directors present
	(4) Loan to sub-subsidiary Cardio Fitness.	Approved by all directors present
	(5) Capital reduction to offset losses for subsidiary Sole Inc and sub-subsidiary Sole Fitness (FES).	Approved by all directors present
	(6) Lease of Dajia Plant No. 1 from the Company by subsidiary Cikada Technology.	Approved by all directors present
	(7) Cash capital increase for subsidiary Cikada Technology.	Approved by all directors present
	(8) Budget increase for the construction plan of the Company's Dajia Plant No. 2.	Approved by all directors present
	(9) Amendment to certain provisions of the "Rules for Transfer of Treasury Shares to Employees."	Approved by all directors present
The 15th meeting of the 12th Board of Directors on September 18, 2025	(1) Acquisition of real estate from related parties by subsidiary Dyaco CA.	Approved by all directors present
	(2) 7th share buyback proposal.	Approved by all directors present
The 16th meeting of the 12th Board of Directors on November 11, 2025	(1) Reclassification of accounts receivable from related parties to other receivables and recognition as loans to others.	Approved by all directors present
	(2) Q2 2025 Consolidated Financial Statements.	Approved by all directors present
	(3) Application for bank financing facilities.	Approved by all directors present
	(4) Loan from sub-subsidiary Fuel Spirit to sub-subsidiary Sweatband.com Ltd.	Approved by all directors present
	(5) Adjustment of the investment structure for the UK subsidiary.	Approved by all directors

Date and Period	Important resolutions	Resolution results
		present
	(6) Warehouse lease from subsidiary Spirit by subsidiary Sole Fitness.	Approved by all directors present
	(7) Amendment to the "Internal Control System."	Approved by all directors present
	(8) Capital reduction to offset losses for subsidiary Dyaco Europe GmbH.	Approved by all directors present
	(9) Amendment to the terms of the 4th domestic unsecured convertible bond issuance and conversion.	Approved by all directors present
	(10) Establishment of the Information Security Committee and formulation of its organizational rules.	Approved by all directors present
	(11) Appointment of Information Security Committee members.	Approved by all directors present
The 17th meeting of the 12th Board of Directors on December 30, 2025	(1) 2026 Business Plan and Budget.	Approved by all directors present
	(2) 2026 Audit Plan.	Approved by all directors present
	(3) Application for bank financing facilities.	Approved by all directors present
	(4) Provision of real estate by subsidiary President Plastic Products MFG. as collateral for the Company's bank financing.	Approved by all directors present
	(5) Endorsement and guarantee of bank financing for subsidiary IUVO INDUSTRY.	Approved by all directors present
	(6) Loan to subsidiary CitySport Co. Ltd.	Approved by all directors present
	(7) Formulation of the "Procedures for Lending Funds to Others" for subsidiary IUVO INDUSTRY.	Approved by all directors present
	(8) Loan from subsidiary IUVO INDUSTRY to subsidiary Cikada technology.	Approved by all directors present
	(9) Addition of Management Procedures for the Information Security Committee.	Approved by all directors present
	(10) Various salary and remuneration items proposed for implementation in 2026 (Year 115).	Approved by all directors present
	(11) Remuneration for directors and managers.	Approved by all directors present
	(12) Distribution of year-end bonuses for managers for the current year.	Approved by all directors present

2.3.10 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.

2.3.11 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.

2.3.12 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: None

2.4. CPA' s Fee Information

Unit: NT\$1,000

Accounting Firm	Name	Period	audit fees	non-audit fees	Total
KPMG	Mr. Chen, Chung-Che Ms. Tsou, Yi-Yun	2025/1/1~ 2025/12/31	5,905	325	6,230

Note: The non-audit fees for the current year represent service fees paid to the accounting firm for the review of non-managerial employee salary information, opinions on the issuance of corporate bonds, and transfer pricing reports.

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: Not applicable.

2.5.2 About the successor CPA: Not applicable.

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	2025		For the year ended March 31,2026	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	CHUAN-FENG INVESTMENT CORPORATION	-	3,633,000	241,000	-
Chairman	Lin, Yu-Yin	-	-	-	-
Director	Yong-Heng Investment Corporation	-	4,170,000	50,000	-
Representative	Chiu Shih-Chien	-	-	-	-
Director	Zhuang, Zhu-Wei	-	-	-	-
Independent Director	Wang, Kai-Li	-	-	-	-
Independent Director	Wang, Chih-Cheng	-	-	-	-
Independent Director	Wu, Jiin-Po	-	-	-	-
Independent Director	Tu, Chi-Yao	-	-	-	-
CSO	PING-I Ting	-	-	-	-
General Manager	Chen, Ming-Nan	-	-	280	-
Executive V.P. and Chief Financial Officer	Wu, Mei-Hua	1,000	-	12,000	-
Senior V.P. Chief Accountant Officer and Chief of Corporate Governance	Chiu, Yuan-Sheng	-	-	-	-
Senior V.P.	Huang, Hsuan-Fu	-	-	-	-
Senior V.P.	Hsu, Li-Wen	-	-	136	-
Senior V.P.	Huang, Yu-Chih	-	-	-	-
Senior V.P.	Lo, Teng-I	-	-	-	-
Senior V.P.	Lin, Shih-Chieh	(6,000)	-	-	-
Senior V.P.	Chen, Son-Guo	-	-	-	-
CTO	Brian Keith Murray	-	-	-	-
V.P.	Lin,Wei-Hsu	(23,000)	-	-	-
V.P.	Li, Che-Jung	-	-	-	-
V.P.	Li, Mei-Yu	-	-	-	-
V.P.	Wu, Shu-Mei	-	-	-	-
V.P.	Ho, Chieh-Shun	-	-	-	-
V.P.	Li, Tai-Lan	-	-	-	-

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\$)
Lin, Wei-Hsu	Inheritance	2025.03.21	Lin, Yu-Hua	Offspring	23,000	NA
Chen, Ming-Nan	Donation	2025.11.13	Chen-Wu, Jiao-E	Lineal Ascendants	200	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, 2026 / Unit: Share

Name	Shareholding			Spouse & Minor	Shareholding in the Name of Others		Relationship		Not e Shar es
	Shares	%	Shares		Shares	%	Name	Relation ship	
Dyaco Internatioanl Inc.	12,947,000	7.23%	—	—	—	—	—	—	—
Guang-Ying Limited Representative: Lin, Ing-Gin	11,375,958	6.35%	—	—	—	—	Lin, Ing-Gin	Represent ative	—
Chuan-Feng Investment Corporation Representative: Lin, Yu-Yin	9,436,776	5.27%	—	—	—	—	Lin, Ing-Gin	Major shareholder	—
	211,817	0.12%	309,737	0.17%	—	—	Lin, Ing-Gin	OffSpring	—
Ho, I-Hsing Investment Corporation Representative: Yang, Hsiu-Yu	8,033,300	4.48%	—	—	—	—	—	—	—
	3,136,294	1.75%	—	—	—	—	—	—	—
Chih-Ling Investment Corporation Representative: Lin, Ing-Gin	7,390,341	4.03%	—	—	—	—	Lin, Ing-Gin	Major shareholder	—
Yong-Heng Investment Corporation Representative: Lin, Ing-Gin	7,212,109	4.00%	—	—	—	—	Lin, Ing-Gin	Major shareholder	—
Lin, Ing-Gin	7,170,977	4.00%	—	—	35,415,184	19.65%	Guang-Ying Limited	Represe ntative	-
							Chuan-Feng Investment Corporation	Major Sharehol der	
							Chih-Ling Investment Corporation	Presiden t	
							Yong-Heng Investment Corporation	Presiden t	
Wu, Chen-Lung	5,966,000	3.33%	—	—	—	—	—	—	—
Yang, Hsiu-Yu	3,136,294	1.75%	—	—	—	—	—	—	—
Chanitex Co., Ltd.	2,988,066	1.67%	—	—	—	—	—	—	—

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	99.66%	-	-	3,137	99.66%
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	91.5%	-	-	183,000	91.5%

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 Januray 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 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 Julyl 20, 2023

Note 25: Jing-Shou-Shang-Zi No. 11430047240 dated April 16, 2025

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 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 2026; 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, 2026

Major Shareholders' Name	Shares	Percentage
Dyaco International Inc. (Treasury Stock)	12,947,000	7.23%
GUANG-YING LIMITED	11,375,958	6.35%
CHUAN-FENG INVESTMENT CORPORATION	9,436,776	5.27%
HO, I-HSING INVESTMENT CORPORATION	8,033,300	4.48%
CHIH-LING INVESTMENT CORPORATION	7,390,341	4.13%
YONG-HENG INVESTMENT CORPORATION	7,212,109	4.03%
Lin, Ing-Gin	7,170,997	4.00%
Wu, Chen-Lung	5,966,000	3.33%
Yang, Hsiu-Yu	3,136,294	1.75%
Chanitex Co., Ltd.	2,988,066	1.67%

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 has not yet proposed any dividend distribution.

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) Amount of employee and director remuneration distributed in cash or stocks: The Company recorded a net loss before tax for the year 2025 (Year 114) after deducting the allocation for employee and director remuneration. In accordance with Article 24 of the Articles of Incorporation and pursuant to the resolution approved by the Board of Directors on March 10, 2026 (Year 115), no remuneration shall be distributed to employees and directors due to the absence of profit for the year.

(2) Amount of employee remuneration distributed in stocks and its proportion to the sum of net income in the parent-only/individual financial statements and total employee remuneration for the current period: None.

4. Actual distribution of employee, director, and supervisor remuneration in the previous year (including number of shares, amount, and stock price); if there is any discrepancy with the recognized amount, the discrepancy, cause, and treatment thereof shall be stated: The employee remuneration for the year 2024 (Year 113) was NT\$868,648, which has been fully distributed in cash. There is no discrepancy between the actual distribution and the recognized amount.
5. How business performance or results are reflected in the remuneration policy for non-managerial employees, and the actual distribution of remuneration or salary increases for non-managerial employees: In accordance with Article 24 of the Company's Articles of Incorporation: "The Company shall allocate no less than 1% of its profit for the year as employee remuneration (of which the

proportion allocated to non-managerial employees shall be no less than 20% of the total employee remuneration) and no more than 5% of its profit for the year as director remuneration. However, if the Company has accumulated losses, such losses shall first be covered." The Company recorded a net loss before tax for the year 2025 (Year 114) after deducting the allocation for employee and director remuneration. Pursuant to Article 24 of the Articles of Incorporation and the resolution approved by the Board of Directors on March 10, 2026 (Year 115), no remuneration shall be distributed to employees and directors due to the absence of profit for the year.

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	6 th Batch	7 th Batch
Purpose of stock buyback	Transfer ownership of shares to employees	Transfer ownership of shares to employees
Period of stock buyback	2025/06/05-2026/08/04	2025/09/19-2025/11/18
Price range	NT\$20.00~ NT\$34.00	NT\$20.00~NT\$31.00
Type and number of shares	Common Share/4,000,000 Shares	Common Share/4,000,000 Shares
Actual amount of buyback shares	NT\$95,207,339	NT\$91,606,807
Actual buyback shares as a percentage of scheduled buyback shares (%)	100%	100%
Shares canceled and transferred	0	0
Cumulative number of its own shares	8,826,000 Shares	12,826,000 Shares
Cumulative number of its own shares as a percentage of issued shares (%)	4.93%	7.16%

(2) Buyback of Treasury Stock (In progress)

Treasury stocks in batches	8 th Batch
Purpose of stock buyback	Transfer ownership of shares to employees
Period of stock buyback	Common Share
Price range	NT\$3,211,114,914
Type and number of shares	2026/03/11~2026/05/10
Actual amount of buyback shares	3,000,000 Shares
Actual buyback shares as a percentage of scheduled buyback shares (%)	NT\$17.00~ NT\$29.50 The Board of Directors resolved that the Company will continue the share buyback if the share price falls below the lower limit of the designated price range.
Shares canceled and transferred	Common Share /254,000 Sahres
Cumulative number of its own shares	NT\$4,979,843元
Cumulative number of its own shares as a percentage of issued shares (%)	8.46%

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 & Influsence 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	
Item	Year	March 3, 2025 to December 31, 2025	As of March 27, 2026
Market price of the convertible corporate bonds	Highest	103.09	97.00
	Lowest	94.23	90.05
	Average	98.66	94.07
Conversion price		33.40	32.70
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

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.

2. Percentage of sales revenue

Unit: NT\$1,000;%

Item \ Year	2024		2025	
	Amount	%	Amount	%
Treadmill	3,973,478	55.06%	3,112,164	50.84%
Elliptical	947,662	13.13%	763,152	12.47%
Bike	758,804	10.51%	655,551	10.71%
Outdoor Furniture	275,871	3.82%	76,869	1.26%
Others	1,261,262	17.48%	1,513,305	24.72%
Total	7,217,077	100.00%	6,121,041	100.00%

3. Current goods and services

Our company's primary operations include the development, manufacturing, and sale of fitness equipment—such as electric treadmills, elliptical trainers, and exercise bikes—as well as electric-assisted bicycles (e-bikes).

4. Planned Development of New Products (Services)

We are actively developing new products for home and commercial fitness, medical rehabilitation, and electric-assisted bicycles. Simultaneously, we are advancing the integration of Internet of Things (IoT) technology, Artificial Intelligence (AI), and sensor application technologies.

4.1.2 Industry overview Fitness equipment

1. Fitness equipment

Driven by rising global health consciousness, the ongoing aging population trend, and the integration of exercise and wellness management into daily life, the fitness equipment industry has maintained steady development. In recent years, sustained consumer demand for cardiovascular training, strength training, body composition management, and rehabilitation has fueled growth across the home, commercial, and professional application markets. Furthermore, the integration of digital technology into fitness equipment is accelerating—features such as connectivity, training data tracking, interactive classes, and smart controls continue to enhance product value-add and user retention.

Global market research indicates that the 2024 global fitness equipment market size ranges between **\$12.6 billion and \$17.5 billion**. While estimates vary slightly across research institutions due to different statistical methodologies, the market is expected to sustain growth in the coming years. Overall, the industry's growth trend remains stable, with a compound annual growth rate (CAGR) of approximately **4% to 6%**.

Based on usage environment, product specifications, and durability, fitness equipment can generally be categorized into the home-use market and the commercial/light-commercial market:

(1) The Home-Use Market

Home fitness equipment is primarily designed for home workouts, daily wellness, and personal training. These products cater to a consistent user base and are characterized by their compact size, ease of operation, and flexible pricing. They are typically sold to end consumers through mass-market retailers, specialty stores, official brand websites, and e-commerce platforms. While demand for home fitness surged during the pandemic, it has gradually returned to normal levels in recent years. The market focus has shifted from one-time equipment purchases to a greater emphasis on product quality, smart features, spatial efficiency, and user experience. Market research indicates that the home fitness segment still has room for growth, driven by the continued demand for health management, the popularization of smart fitness devices, and the emergence of hybrid fitness models.

(2) The Commercial/Light-Commercial market

Commercial fitness equipment is primarily utilized in fitness centers, hotels, clubs, schools, corporate wellness facilities, and medical rehabilitation centers. Because these machines are operated frequently by a wide range of users, there are higher requirements for product durability, safety, stability, and after-sales service. The light-commercial market, meanwhile, mainly serves community gyms, small-to-medium studios, and apartment complex facilities.

In recent years, as global fitness club operations have recovered, membership numbers have climbed, and revenues have rebounded, demand in the commercial market has gradually improved. According to the latest reports from health and fitness industry organizations, the global commercial fitness industry saw year-over-year growth in membership, revenue, and facility counts

in 2024. This reflects a continued resurgence in demand for commercial equipment investment and system upgrades.

(3) Industry Development Trends

A. Continuous Rise in Health and Sports Awareness

With the aging population and the increasing demand for chronic disease prevention and body composition management, fitness has evolved from a leisure-based pursuit to a daily necessity closely linked with health management. This shift provides a solid foundation for the industry's medium-to-long-term growth.

B. Intelligence and Connectivity as Key Product Upgrades

In recent years, there has been a clear trend of integrating fitness equipment with sensors, data tracking, interactive classes, and personalized training functions. Smart products help enhance the workout experience, product differentiation, and brand value-add. Both the home and commercial markets are placing increasing emphasis on software-hardware integration capabilities.

C. Normalization of Home Demand and Steady Recovery of the Commercial Market

The home-use market has transitioned from the rapid growth seen during the pandemic to a more stable demand for replacements and upgrades. Meanwhile, the commercial market is showing a steady recovery trend, benefiting from a rebound in investments from gyms, hotels, and corporate wellness facilities.

D. Divergent Development Across Regional Markets

North America remains one of the world's most critical markets with a mature foundation, maintaining stable demand for both high-end home and commercial equipment. The European market is relatively mature, with a stronger focus on product design, branding, and energy-saving/wellness concepts. The Asia-Pacific region demonstrates the strongest growth momentum, driven by urbanization, an expanding middle class, and rising fitness awareness. In terms of global market distribution, North America maintains its position as the primary market, while Asia-Pacific is the region with the highest growth potential.

(4) Regional Market Analysis

A. North American Market

The North American market remains one of the world's most critical fitness equipment markets, characterized by a mature fitness culture, high purchasing power, and a comprehensive ecosystem of brands and distribution channels. While demand in the home-use sector has stabilized recently, the commercial sector still possesses significant growth potential as fitness club operations improve and the need for equipment upgrades rises.

B. European Market

Development in the European market is relatively mature, with consumers placing a high premium on product quality, design, durability, and energy-saving concepts. The commercial sector maintains steady demand, driven by fitness chains, hotels, and corporate wellness facilities. Simultaneously, the adoption of smart fitness equipment and personalized training devices is

steadily increasing.

C. Asia-Pacific Market

Benefiting from urbanization, an expanding middle class, rising health consciousness, and the proliferation of fitness facilities, the Asia-Pacific region is the market with the highest growth potential. Markets such as China, India, Japan, and Southeast Asia are progressively driving the demand for both home and commercial equipment.

(5) Overall Industry Outlook

Overall, the fitness equipment industry maintains a foundation for stable growth. Although global inflation, interest rate levels, cautious consumer spending, and geopolitical shifts may impact short-term demand and channel inventory adjustments, the industry's medium-to-long-term development remains positively supported. This support is driven by the ongoing trend of health management, the rising penetration of smart products, and the gradual recovery of the commercial market. Moving forward, the key to competitive success for manufacturers will lie in brand management, product innovation, the integration of smart functions, channel distribution strategies, and the capability for resilient supply chain management.

2. Outdoor Leisure Furniture

With the improvement of residential quality, the popularization of outdoor lifestyles, and the increasing demand for upgrades in travel, leisure, and commercial spaces, the outdoor leisure furniture industry has maintained a steady market scale in recent years. These products are primarily applied in residential yards, balconies, and terraces, as well as commercial spaces such as hotels, restaurants, and resorts. Market demand is influenced by factors including the overall economic environment, consumer spending, real estate market conditions, and commercial construction investment.

In terms of industry trends, consumers are placing higher demands on the comfort, aesthetics, and functionality of outdoor spaces. This has driven demand for outdoor furniture that features weather resistance, durability, and strong design elements. In the commercial market, demand remains stable, fueled by the development of the tourism, dining, and leisure sectors. Furthermore, materials application, product design, and distribution models continue to evolve; companies are generally moving toward weather-resistant materials, serialized designs, and improved supply efficiency to strengthen market competitiveness.

From a regional market perspective, North America and Europe remain the primary mature markets. The Asia-Pacific region holds significant growth potential, benefiting from urbanization, middle-class expansion, and the development of residential and tourism-leisure facilities. Overall, however, the outdoor leisure furniture industry remains susceptible to fluctuations in inflation, raw material costs, freight rates, and consumer sentiment, and market competition remains intense.

Our company's outdoor leisure furniture products have reached the end of their lifecycle. Moving forward, our operational focus will remain on the development of our core business.

Consequently, the impact of this business segment on the company’ s overall operations is now relatively limited.

3. E-BIKE

Current Market Size and Structure :

The global E-bike market size is projected to reach approximately \$54 billion to \$70 billion by 2025, reflecting continuous growth compared to previous periods. Sales Volume Forecast: Global E-bike sales volume is expected to continue increasing. However, as statistical methodologies vary across research institutions, it is recommended to describe the trend as sustained growth rather than using a single fixed value. Compound Annual Growth Rate (CAGR): The future CAGR of the global E-bike market is projected at approximately 8%–11%, and could exceed 10% under more optimistic scenarios. Forecast and Growth Potential: By 2030, the global E-bike market scale is estimated to reach USD \$80 billion to \$90 billion, demonstrating strong medium-to-long-term growth potential for the industry.

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

E-Bike Market Forecast (CAGR, 2024-2030)		
Region	CAGR (%)	Analysis
Global Overall	9~11%	Medium-to-long-term growth remains steady, but regional divergence is evident, with differing growth rates between mature and emerging markets.
Europe	7~9%	High market maturity; growth momentum is primarily driven by product upgrades, premiumization, and commuting substitution needs.
China	3~5%	Large market base and high penetration rate; growth is stabilizing and trending toward replacement purchases and structural upgrades.
North America	12~16%	One of the fastest-growing regions, driven by demand from commuting, outdoor recreation, and logistics delivery.
Other Asia	10~12%	Emerging Asian markets are driven by policy support, manufacturing capabilities, and urban short-distance mobility needs.
Other Regions	8~11%	Growth in demand from Latin America, the Middle East, and tourism-heavy cities, though the market base is small and volatility is high.

(1) 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

A. European Market: Supply Chain Rebalancing Under Demand Adjustment Market Entering Correction Phase, Import Volume Recedes: In 2024, EU e-bike imports fell to approximately 642,000 units, a year-on-year decrease of about 27%, slightly below pre-pandemic levels.

Import values also declined, reflecting that post-pandemic inventory adjustments, cooling end-user demand, and channel destocking pressures are persisting. The overall market has shifted from high-speed growth to a stage of rational correction. Redistribution of Supply Sources, More Distinct Price Segmentation: In 2024, the share of exports from China to the EU rebounded, while Taiwan's share declined compared to previous periods, indicating that the European market is moving toward diverse supply sources and stratified price structures. Taiwanese suppliers remain primarily concentrated in mid-to-high-end and high-quality product segments, while China maintains strong competitiveness in entry-level and price-oriented markets. This implies that competition in Europe is no longer just about origin, but a comprehensive competition of product positioning, brand power, and supply efficiency. Escalating Competition in the High-End Market, Differentiation Capability Becomes Critical: Amid the overall slowdown in European demand, high-end brands seeking to maintain margins and market share must further strengthen product differentiation, smart features, after-sales service, and layouts for commercial/logistics application scenarios, rather than relying solely on existing brand premiums. Overall Assessment: Despite the short-term growth slowdown, Europe remains one of the world's largest and most brand-valuable e-bike consumer markets. Structural opportunities persist in the long term, but the basis of competition has shifted from general demand expansion to a contest of brand, technology, and supply chain efficiency.

- B. North American Market: A High-Growth Strategic Priority Sensitive to Policy Significant Rebound in Overall Import Demand: In 2024, U.S. bicycle imports exceeded 11 million units, a year-on-year increase of approximately 17%, indicating that procurement momentum has recovered significantly following previous inventory adjustments. E-Bikes Remain the Fastest-Growing Major Category: According to industry estimates, the U.S. imported approximately 1.7 million e-bikes in 2024, a significant increase from 2023. Meanwhile, China remains the primary supply source for U.S. e-bikes, with a high concentration of supply. This indicates that North America remains one of the most promising growth regions globally, though its supply chain structure is relatively fragile. Policy Changes Driving Supply Chain Restructuring: The Section 301 tariff framework on Chinese imports persists, and in 2024, the USTR further adjusted additional tariff policies for certain Chinese products. Although e-bikes were not among the most high-profile items added in this round, the overall policy environment is sufficient to push brand owners to more actively consider production bases outside China, regional assembly, and multi-origin configurations to mitigate policy and tariff risks. Overall Assessment: The North American market possesses diverse application needs across commuting, leisure sports, and logistics delivery, with strong growth momentum. However, for brands to operate long-term, they must establish local after-sales, maintenance, parts supply, and channel service systems alongside product supply to truly convert import growth into market standing.

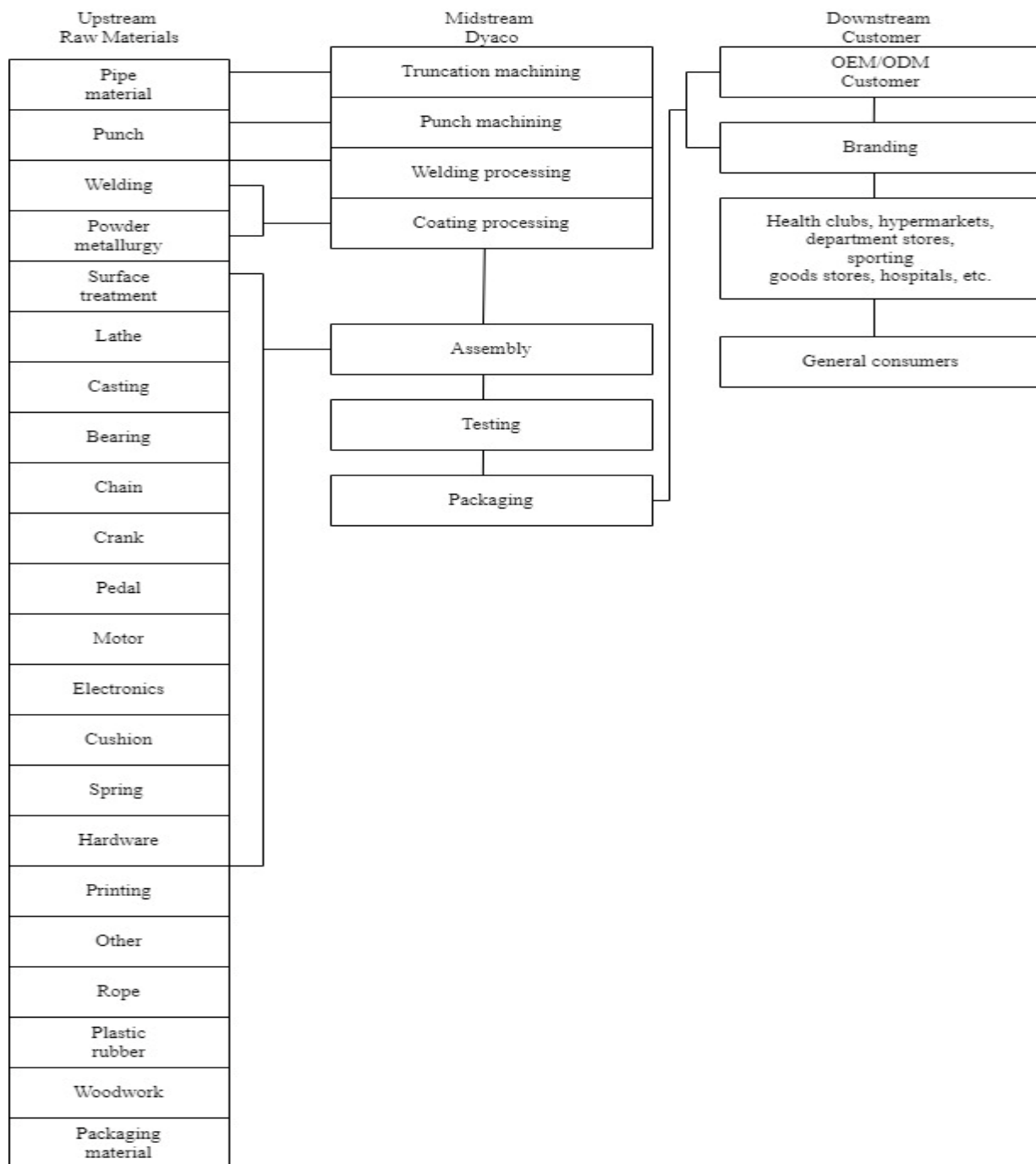
C. Taiwan Market: A Supply Hub Shifting from Export-Oriented to Value-Oriented Export Volume Sharply Revised Downward, Mid-to-High-End Positioning Remains: In 2024, Taiwan's e-bike export volume dropped by approximately 47% compared to the previous year, totaling only about 365,000 units—a recent low. Export value also declined, reflecting the substantial pressure placed on Taiwan's supply chain by European destocking and global demand correction. Deeper Decline in Europe, Signs of Market Rebalancing: Public industry data shows that the decline in Taiwan's exports to the EU in 2024 was significantly larger than the overall average, indicating that Europe remains a primary cause of the downward revision in exports. In contrast, while the U.S. market is also affected by policy interference, it continues to be a vital export destination for Taiwan, showing a trend where the supply chain focus is gradually moving from a single reliance on Europe toward a multi-market layout. Emerging Asia Expected to Be the Next Wave of Supplementary Markets: During the European market adjustment, Taiwanese players can accelerate expansion into emerging markets such as Vietnam, Indonesia, and India, or tap into local demand through brand collaborations, ODM/OEM, and strategic alliances. Compared to price competition, Taiwan's advantage remains in mid-to-high-end vehicle integration, key component quality control, and flexible supply chain capabilities. This advantage retains strategic value during the global supply chain restructuring. Overall Assessment: Taiwan's role in the global e-bike industry is transitioning from a "mass export base" to a "high-value supply and strategic collaboration hub." The key to future competition lies not in a simple rebound in shipment volume, but in whether it can maintain its indispensability in the global mid-to-high-end market through differentiated technology, brand partnerships, and multi-site supply layouts.

(2) Market Trends and Strategies

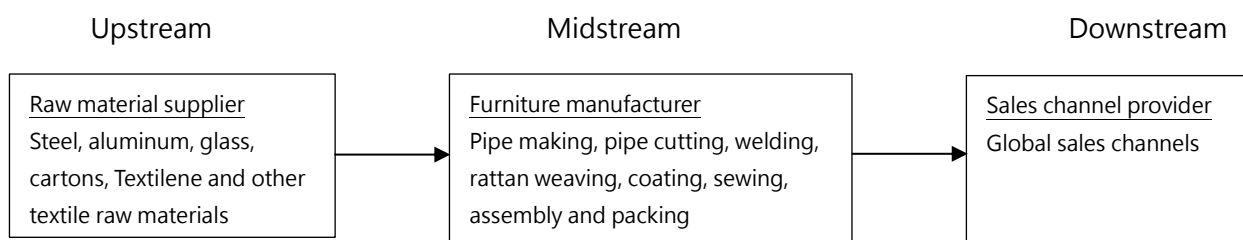
- A. Intensified High-End Market Competition The growth slowdown and rising price competition in the European market necessitate that suppliers place greater importance on brand differentiation, product innovation, intelligent features, and after-sales service systems to maintain competitive advantages and profitability.
- B. North American Market Still Offers Primary Growth Opportunities U.S. e-bike demand continues to expand. However, influenced by tariffs and supply chain policies, suppliers should simultaneously evaluate localized assembly, regional production, and after-sales service layouts to enhance market resilience.
- C. Supply Chain Restructuring Becomes a Key Issue The decline in Taiwan's exports indicates that the past model of high reliance on the European market is facing challenges. Moving forward, market layouts, product positioning, and supply chain configurations should be re-examined, and collaborations with diverse markets and strategic partners should be strengthened to improve overall resistance to fluctuations.

2. Relationship Between Upstream, Midstream, and Downstream Industry Segments

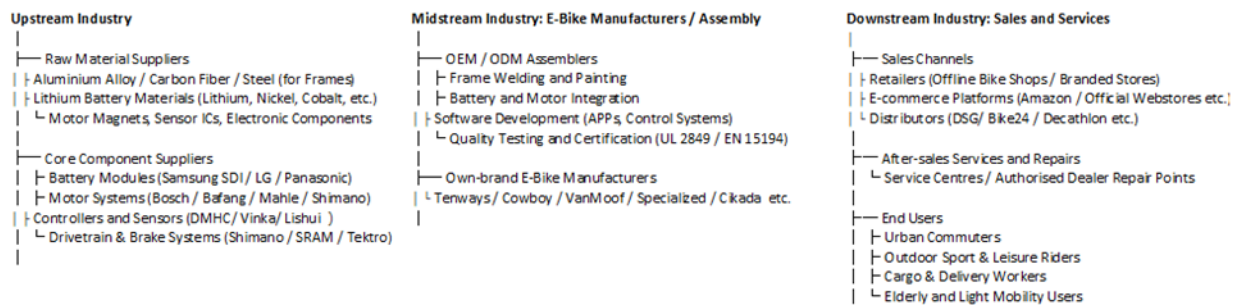
(1) Fitness Equipment



(2) Outdoor leisure furniture



(3)E-Bike



3. 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.

4. 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, Rexus, Tonic, SportsArt, Steelflex, Reallusion, Tung Keng, HealthStream and Strength Master, etc. However, except for Johnson and Rexus, 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

Item \ Year	2025 (Per Audited)	2026 Q1 (Per Book)
R&D Expenses	129,193	37,731
Net Operating Revenue	6,121,041	1,638,270
R&D Expenses as a percentage of Net Operating Revenue	2.11%	2.30%

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		2024		2025	
		Sales	%	Sales	%
Domestic		158,304	2.19%	139,697	2.28%
Exports	America	4,771,542	66.11%	3,771,696	61.60%
	China	204,492	2.83%	174,749	2.85%
	Europe	1,556,154	21.56%	1,301,390	21.26%
	Others	526,585	7.31%	734,509	12.01%
Total		7,217,077	100.00%	6,121,041	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
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%
202	3,149,453	15,543,260	20.26%

(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

With global aging trends, rising health consciousness, and fitness becoming an integral part of daily life, the fitness equipment industry maintains a stable outlook for growth. In recent years, market development has shifted from a pure focus on physical training toward diverse needs such as health management, physique maintenance, rehabilitation, and senior-friendly exercise. The target audience has also expanded from young adults to include the middle-aged, elderly, and users seeking general health promotion. Overall, the fitness equipment industry combines characteristics of both consumer goods and health promotion; supported by the continuous development of the global "wellness economy," market demand remains resilient.

On the demand side, the home and commercial markets continue to demonstrate different growth dynamics. After rapid expansion during the pandemic, the home market has gradually normalized, with consumer focus shifting toward product quality, space efficiency, smart connectivity, and user experience. According to market research, the global home fitness equipment market is valued at approximately \$12.88 billion in 2025 and is projected to grow to \$22.99 billion by 2034, indicating medium-to-long-term potential. Meanwhile, the commercial market is seeing improved demand for equipment replacement and procurement as global fitness club operations recover, membership grows, and facility investments resume. The 2025 Global Fitness Industry Report indicates that in 2024, global fitness club memberships grew by approximately 6% year-on-year, revenue increased by an average of 8%, and the number of facilities rose by nearly 4%, reflecting a steady recovery in commercial equipment demand.

Regarding product development, intelligence, connectivity, and personalization remain the key drivers of industry growth. The trend of integrating sensors, data tracking, interactive classes, training analytics, and remote management into fitness equipment has become increasingly prominent. These features not only enhance user stickiness and training efficiency but also help manufacturers increase added value and brand differentiation. In the smart fitness market specifically, the global market size reached approximately \$64.6 billion in 2023 and is projected to reach \$137.3 billion by 2030, with a CAGR of approximately 11.1% from 2024 to 2030, showing that smart applications will continue to drive fitness-related demand.

On the supply side, the fitness equipment industry will continue to evolve toward branding, intelligence, specialization, and multi-scenario applications. In addition to product design,

durability, and safety, factors such as distribution channel layout, after-sales service, software-hardware integration, and supply chain management efficiency will become critical to market competitiveness. Facing segmented consumer needs and regional market differences, manufacturers will continue to invest in the development of multi-functional products, specialty equipment, and elderly-friendly products to cater to different usage scenarios and customer groups.

Overall, the future supply and demand conditions of the fitness equipment market rest on a positive foundation. While factors such as global inflation, interest rates, cautious consumer spending, and geopolitics may impact short-term demand and channel inventory adjustments, the industry is expected to maintain stable growth in the medium-to-long term. This is driven by the continuation of health management trends, the ongoing implementation of smart fitness technology, and the simultaneous demand from both home and commercial markets. Market research data shows that the global fitness equipment market is projected to have a CAGR of approximately 6.7% from 2024 to 2029, reflecting the industry's sustained growth potential.

(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

In recent years, the global electric-assisted bicycle (E-Bike) market has experienced continuous growth in overall demand, benefiting from urbanization, the promotion of energy-saving and carbon-reduction policies, improvements in cycling infrastructure, and increased consumer acceptance of short-distance mobility and green transportation. According to market research

data, the global E-bike market size in 2025 is estimated to fall between \$54.1 billion and \$69.7 billion. Growth is expected to be maintained in the coming years, with the market scale projected to expand further after 2030, indicating strong medium-to-long-term development potential for the industry.

On the demand side, E-bike applications have evolved from primarily recreational riding to diverse scenarios such as daily commuting, tourism, family transport, and urban logistics, driving continuous upgrades in product structure. Notably, demand for commuting, mountain, cargo, and multi-purpose models has shown significant growth, reflecting the E-bike's transition from a leisure product to a mobility vehicle serving both transportation and lifestyle needs. The U.S. market is a representative example; market research indicates a CAGR of approximately 15.6% from 2023 to 2030, showing high growth potential driven by micro-mobility and alternative transportation needs in North America.

From a regional market perspective, Europe remains one of the world's most important E-bike markets, with a relatively mature development supported by carbon-reduction policies, bike lane construction, subsidies, and urban mobility transitions. Market research data shows that Europe will remain a major regional market in 2025. In the Chinese market, overall demand is stabilizing due to its massive scale and high penetration rate, with future growth leaning toward product upgrades and structural adjustments; research estimates a CAGR of approximately 2.98% for China from 2025 to 2030. North America has become a faster-growing region due to expanding usage scenarios, increasingly clear regulations, and rising consumer acceptance.

On the supply side, the global E-bike supply chain continues to adjust toward diversification and regionalization. Asia remains the primary production base, with Taiwan, Vietnam, and Cambodia holding a strong foundation in vehicle assembly, component supply, and OEM/ODM manufacturing. Meanwhile, European and North American markets are gradually increasing the proportion of local assembly and multi-origin layouts in response to tariffs, regulations, lead times, and supply risk considerations. In the U.S., policy and tariff factors have become critical variables affecting supply chain configuration, while the European market places higher emphasis on localized supply, regulatory compliance, and carbon emission management.

In terms of product and technological development, requirements for intelligence, connectivity, and safety continue to rise. In addition to improvements in range, motor efficiency, and frame structure, E-bike products are increasingly integrating features such as app connectivity, GPS tracking, anti-theft management, ride data recording, and battery management systems to enhance added value and user experience. Concurrently, increasingly strict requirements for product safety, battery management, and regulatory compliance in various markets have heightened the focus of brands and manufacturers on technical upgrades, quality control, and certification capabilities. Overall, product differentiation, regulatory compliance, and supply chain management efficiency will remain key to industrial competitiveness. This growth is reflected in global market forecasts; for instance, some research estimates a CAGR of approximately 7.0% from 2025 to 2032, while others project approximately 9.2% from 2026 to 2033.

Overall, the future supply and demand conditions of the global E-bike market rest on a positive foundation. Although fluctuations in raw material prices, concentrated supply of key components, geopolitical risks, and changes in tariffs and policies may affect short-term supply chain stability and price competitiveness, the industry maintains growth potential in the medium-to-long term driven by energy-efficient transport, urban mobility transitions, and the continuous introduction of smart products. The key to future competitiveness for businesses will lie in product positioning, technical integration, regulatory compliance, brand management, and global supply layout capabilities.

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

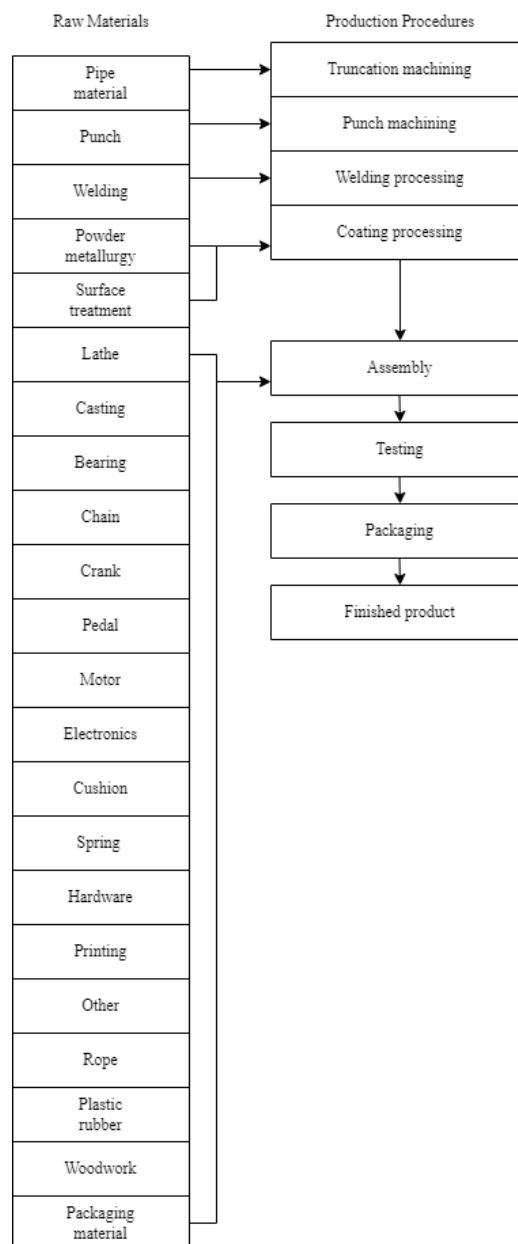
1. Important uses of primary products

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.

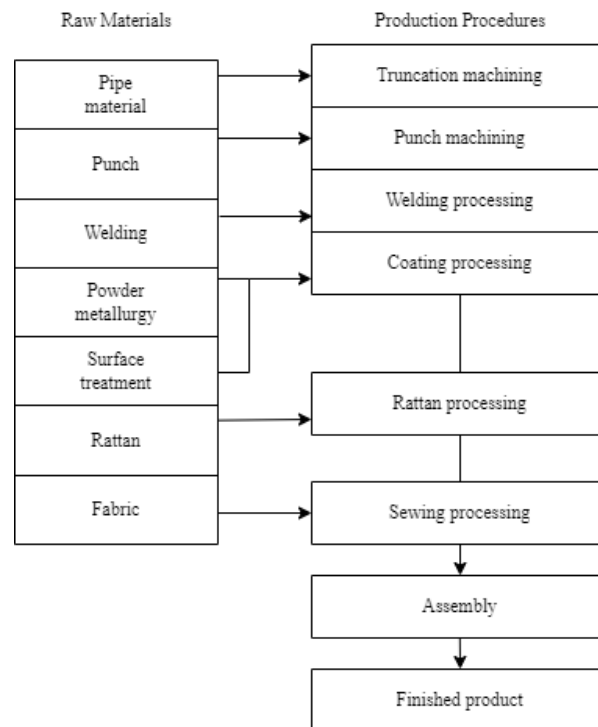
Lightweight fitness equipment	For general home use and other body shaping exercise.
Furniture	For general home or commercial outdoor use.
E-Bike	E-bikes serve a wide range of applications, including urban commuting, logistics and delivery, outdoor recreation, fitness and sport, off road and mountain 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	2024				2025			
	Name	Amount	Percentage of net sales (%)	Relationship with issuer	Name	Amount	Percentage of net sales (%)	Relationship with issuer
1	A Customer	1,255,432	17.40	None	A Customer	714,862	12.19	None
2	B Customer	206,834	2.86	None	B Customer	969,495	15.84	None
	Others	5,754,811	79.74	None	Others	4,436,684	71.97	None
	Net sales	7,217,077	100.00	-	Net sales	6,121,041	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 2025, 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	2025/3/31
Number of employees	Direct Labor	594	441	410
	Indirect Labor	726	601	615
	Total	1,320	1,042	1,025
Average age (Year)		41.51	41.51	41.73
Average years of service (Year)		8.41	8.41	8.28
Education level (%)	PhD	0.22	-	-
	Master's	5.45	6.51	6.64
	University/College	36.66	41.53	41.70
	High School (and below)	57.67	51.96	51.66

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	-	

- 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.
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 2025 is NT\$366,000.
 - (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 2025 is NT\$14,964,000.

(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 9.25 years, with 41.67% 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 65.20%, while female employees make up 34.80%. This difference is primarily due to the company's focus on manufacturing operations. The overall age structure is primarily composed of the core workforce aged 30 to 49, accounting for 63.96%, which provides a stable and mature human resource foundation for the company's operations. The headcount data in this chapter is based on the number of active employees as of December 31 of each year.

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 Cyber security risk management framework, cyber security policies, concrete management plans, and resources invested in cyber security management

1. Cyber security risk management framework: Implementation of management for information server

rooms, computer information file security, network security, email security management, and information system access control.

2. Cyber security policies :

Cyber security policies	
Information Security Governance	Establish a secure and trustworthy computerized operating environment to ensure the safety of the Company's data, systems, equipment, and networks, thereby safeguarding corporate interests and ensuring the sustainable operation of information systems across all units.
Scope of Information Security	1.Personnel management and information security education and training. 2.Computer system security management. 3.Network security management. 4.System access control. 5.System development and maintenance security management. 6.Information asset security management. 7.Physical and environmental security management. 8.Information system business continuity planning management. 9.Information security auditing.
Information Security Principles and Standards	1.Regularly conduct information security education, training, and awareness programs, covering information security policies, laws and regulations, operating procedures, and the proper use of IT facilities. These efforts aim to ensure employees understand the importance of information security and potential security risks, thereby enhancing their awareness and ensuring compliance with security regulations. 2.To prevent information systems and files from being infected by computer viruses, detection and prevention measures must be implemented. An active Intrusion Detection System (IDS) shall be established to counter intrusions and malicious attacks, ensuring the security requirements of computer data are met. 3.To prevent the interruption of important information assets, critical business operations, or communication systems due to natural disasters or major man-made incidents, a policy for information system business continuity planning (BCP) shall be established.
Relevant Regulations for Employee Compliance	1.After the IT department receives an account application form, a "User ID" shall be created. 2.Computer data and equipment must not be damaged, removed from the premises, loaned out, or improperly modified, in order to maintain data integrity. 3.The use of unlicensed software is strictly prohibited. 4.After logging into a host, users should log out once the task is completed or if the machine is left unattended for an extended period to prevent leakage of confidential data, unauthorized tampering, or system crashes. 5.In addition to convenience, computer equipment should be placed away from water, coffee, direct sunlight, or damp locations to extend its lifespan. 6.Upon resignation or during the handover of duties, the IT department shall assess the relevance of the data and take appropriate measures for disposal or transfer. 7.If computer equipment fails to operate normally, the user should immediately notify the IT department for inspection or repair.

3. 2025 Concrete management plans and resources invested in cyber security management:

Item	Implementation Status
Firewall Protection	1. Establish connection rules for firewall settings. 2. Require additional application and approval for any special connection requirements.
User Internet Access Control Mechanism	1. Use an automated web protection system to monitor and manage user online behavior. 2. Automatically filter websites that may contain Trojans, ransomware, or malicious programs.
Antivirus Software	Utilize antivirus software with automated virus definition updates to reduce the risk of infection.
Operating System Updates	1. Enable automatic OS updates; the IT department provides manual assistance for systems that fail to update automatically. 2. Implement automated email threat protection to pre-screen for unsafe attachments, phishing emails, and spam, while expanding protection against malicious links before users receive them.
Email Security Control	Antivirus software performs secondary scans for unsafe attachments after emails are received on individual PCs.
Data Backup Mechanism	Databases of critical information systems are configured for daily backups .
Important File Upload Server	Important files from all departments are stored on central servers and backed up by the IT department for preservation.
Cyber Insurance	As the Company primarily serves corporate clients and faces no risk regarding consumer personal data, we have decided not to purchase cyber insurance after evaluating current coverage options and industry applicability. Instead, we have deployed hardware and software solutions (firewalls, antivirus, Intrusion Prevention Systems, etc.) and continue to monitor security trends while strengthening employee awareness and emergency response capabilities. °

4. Resources Invested in Cyber Security Management

The Company has established a Cyber Security Group consisting of one Cyber Security Officer and at least one cyber security staff member responsible for the planning and execution of information security affairs. The Cyber Security Officer reports on major issues or strategic plans to the Board of Directors at least once a year and during quarterly business review meetings.

For critical security tasks—such as operating system or essential software upgrades for host servers and disaster recovery drills—the Cyber Security Group conducts **quarterly reviews** of planning and implementation progress. Furthermore, through irregular social engineering drills and security health check services, the group assesses whether user security awareness is sufficient and identifies potential vulnerabilities in information equipment investment or system configurations. Security budgets are then allocated and executed accordingly.

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 Status, 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	2024	2025	Difference	
			Amount	%
Current Assets	5,016,004	4,143,200	(872,804)	(17.39)
Property, Plant and Equipment	3,934,280	4,065,309	131,029	3.33
Intangible Assets	1,318,107	917,492	(400,615)	(30.39)
Other Non-current Assets	855,407	1,101,004	245,597	28.71

Item \ Year	2024	2025	Difference	
			Amount	%
Total Assets	11,123,798	10,227,005	(896,793)	(8.06)
Current Liabilities	3,923,853	3,662,516	(261,337)	(6.66)
Non-current Liabilities	2,239,364	2,096,808	(142,556)	(6.36)
Total Liabilities	6,172,217	5,759,324	(412,893)	(6.68)
Capital	1,671,420	1,791,420	120,000	7.17
Capital Surplus	2,684,014	2,877,117	193,103	7.19
Retained Earnings	628,320	(17,479)	(645,799)	(102.78)
Other Equity	(26,103)	(78,943)	(52,840)	202.42
Treasury Share	(408,690)	(440,250)	(31,560)	7.72
Non-controlling Interest	402,620	335,816	(66,804)	(16.59)
Total Equity	4,951,581	4,467,681	(483,900)	(9.77)

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 decrease in intangible assets is due to the recognition of goodwill impairment in response to this year's operating performance.
2. The increase in other assets is due to an increase in financial assets at fair value through other comprehensive income—non-current.
3. The decrease in retained earnings is due to an increase in net loss for the current period.
4. The difference in other equity is due to exchange differences on translation of foreign financial statements.

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	2024	2025	Increase (Decrease) Amount	Difference (%)
Net Operating Revenue	7,217,077	6,121,041	(1,096,036)	(15.18)
Operating Costs	4,639,826	3,918,469	(721,357)	(15.54)
Gross Profit	2,577,251	2,202,572	(374,679)	(14.53)
Operating Expenses	2,547,377	2,616,480	69,103	2.71
Other Operating Income and Expenses	29,874	(413,908)	(443,782)	(1,485.51)
Non-operating Income and Expenses	48,963	(364,733)	(413,696)	(844.91)
Profit before Income Tax	78,837	(778,641)	(857,478)	(1,087.65)
Income Tax Expense	8,954	(149,285)	(158,239)	(1,767.24)
Net Profit	69,883	(629,356)	(699,239)	(1,000.58)
Other Comprehensive Loss	110,915	(49,345)	(160,260)	(1,444.89)
Total Comprehensive Income	180,798	(678,701)	(859,499)	(475.39)

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 fell short of expectations, leading to a simultaneous decline in operating revenue, costs, and gross profit. Furthermore,

operating expenses were not reduced proportionally, resulting in an operating loss for the period.

2. The change in non-operating income (expenses) was primarily due to the recognition of a significant impairment loss on goodwill, coupled with exchange losses resulting from the depreciation of the U.S. dollar.

3. The change in net income before tax was primarily due to the core business turning into a net loss, combined with substantial non-operating goodwill impairment and exchange losses, leading to a net loss before tax for the year.

4. The change in income tax was due to an increase in deferred tax assets and the recognition of related income tax benefits.

5. The change in other comprehensive income was due to fluctuations in exchange differences on the translation of financial statements of foreign operations.

6. The change in total comprehensive income was due to changes in net income for the period and the exchange differences on the translation of financial statements of foreign operations within 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	2024	2025	Increase (Decrease) Amount	Difference (%)
Beginning Cash and Cash Equivalents	1,158,512	1,159,244	732	0.06
Net Cash Inflow from Operating Activities	492,260	(397,434)	(889,694)	(1,807.36)
Net Cash Outflow from Investing Activities	(217,256)	(475,619)	(258,363)	118.92
Net Cash Outflow from Financing Activities	(314,410)	346,003	660,413	(210.04)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	40,138	(22,142)	(62,280)	(155.16)
Ending Cash and Cash Equivalents Balance	1,159,244	610,052	(549,192)	(47.37)

Analysis of Changes Exceeding 20% in Percentage:

- Operating Activities: Primarily due to the increase in net loss for the current period, resulting in a net cash outflow from operating activities.
- Investing Activities: Primarily due to the increase in financial assets measured at fair value through other comprehensive income and ongoing factory construction expenditures, resulting in an increase in net cash outflow from investing activities compared to the previous period.
- Financing Activities: Primarily due to capital raised through cash capital increases and the issuance of convertible bonds, resulting in a net cash inflow from financing activities.
- Decrease in Year-end Cash and Cash Equivalents: Primarily due to the increase in net cash outflow from operating activities caused by current period losses, combined with the increase in net cash outflow from investing activities due to higher capital expenditures.

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

Unit: NT\$1,000

Item \ Year	2024	2025	Increase (Decrease) Amount	Difference (%)
Beginning Cash and Cash Equivalents	440,404	499,672	59,268	13.45
Net Cash Inflow from Operating Activities	774,903	(443,224)	(1,218,127)	(157.19)
Net Cash Outflow from Investing Activities	(709,721)	(254,962)	454,759	(64.07)
Net Cash Outflow from Financing Activities	(3,025)	406,166	409,191	(13,526.97)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(2,889)	-	2,889	(100.00)
Ending Cash and Cash Equivalents Balance	499,672	207,652	(292,020)	(58.44)

Analysis of Changes Exceeding 20% in Percentage:

- Operating Activities: Primarily due to the increase in net loss for the current period, resulting in net cash outflow from operating activities.
- Investing Activities: Primarily due to the increase in financial assets at fair value through other comprehensive income and ongoing factory construction expenditures, resulting in an increase in net cash outflow from investing activities compared to the previous period.
- Financing Activities: Primarily due to funds raised through cash capital increase and the issuance of convertible bonds, resulting in net cash inflow from financing activities.
- Decrease in Year-end Cash and Cash Equivalents: Primarily due to the increase in net cash outflow from operating activities caused by current period losses, combined with the increase in net cash outflow from investing activities due to higher capital expenditures.

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
610,052	265,475	113,352	762,175	-	-

The above table contains consolidated information.

- Operating Activities: Operating revenue and profitability are expected to improve in 2026, which is projected to generate net cash inflow from operating activities.
- Investing Activities: No major capital expenditures are planned for 2026.
- Financing Activities: Cash dividends are expected to be distributed and share buybacks are expected to be executed in 2026.

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	
			2025(Actual)	2026(Expected)
Dajia No. 2 Plant	Bank Loans and Own Funds	2025Q4	160,026	-
Thailand Factory Construction	Bank Loans and Own Funds	2025Q3	78,009	-

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 reinvestment policy follows the corporate management policies and development strategies, seeking complementary resources to strengthen core capabilities. In addition to consolidating and extending existing core operations, the company aims to accelerate the exploration of new services and market opportunities to achieve the corporate vision.

In the company's 2025 parent-company-only financial statements, investment losses recognized under the equity method amounted to NT\$795,060 thousand. This was primarily due to a general decline in market demand affecting the performance of various investees, resulting in declining sales, widening losses, and the recognition of goodwill impairment. Overall, the company will continue to promote the strategic integration and development of its investment ventures to achieve the expected goals and synergies established at the time of investment. The company also evaluates the strategic and financial performance of its investments at all times and will implement exit or liquidation mechanisms when necessary.

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	2024	2025
Interest Income (Expense)		(83,933)	(94,584)
Profit (Loss) before Income Tax		78,837	(778,641)
Interest Income (Expense) to Profit (Loss) before Tax (%)		(106.46)	12.14

Interest expenses result from bank loans used for working capital; therefore, changes in interest rates have a certain degree of impact on the company's profitability. To mitigate the impact of

interest rate fluctuations on the company's cost of capital, the company closely monitors interest rate trends and maintains good relationships with banks to secure more favorable rates. Furthermore, the company continuously observes the impact of financial market interest rate changes on its funds to adopt flexible measures as needed; thus, interest rate fluctuations are not expected to have a material impact on the company's profit or loss.

2. Exchange rate fluctuations

Unit: NT\$1,000; %

Item \ Year	2024	2025
Exchange Gain (Loss)	183,795	(47,305)
Profit (Loss) before Income Tax	78,837	(778,641)
Exchange Gain (Loss) to Profit (Loss) before Tax (%)	233.13%	6.07%

The company's products are primarily for export, with the majority of transactions denominated in USD, while production costs are mostly denominated in TWD. Therefore, fluctuations in the USD exchange rate have a certain degree of impact on the company's profitability. The specific measures taken by the company to address exchange rate fluctuations are as follows:

- (1) The company's finance personnel maintain close contact with banks to gather exchange rate information, refer to bank quotes to seek favorable selling points, and perform appropriate foreign exchange operations to hedge against losses caused by exchange rate fluctuations.
- (2) When providing quotes to customers, business units shall consider exchange rate trends and propose more conservative quotes to prevent exchange rate fluctuations from eroding the company's profits.

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)Development of integrated smart devices for batteries and motor control.
 - (5)Product design and enhancement of skills for mechanical and ergonomics engineers.
4. 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 2% to 3% of the total revenue in 2026.

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.

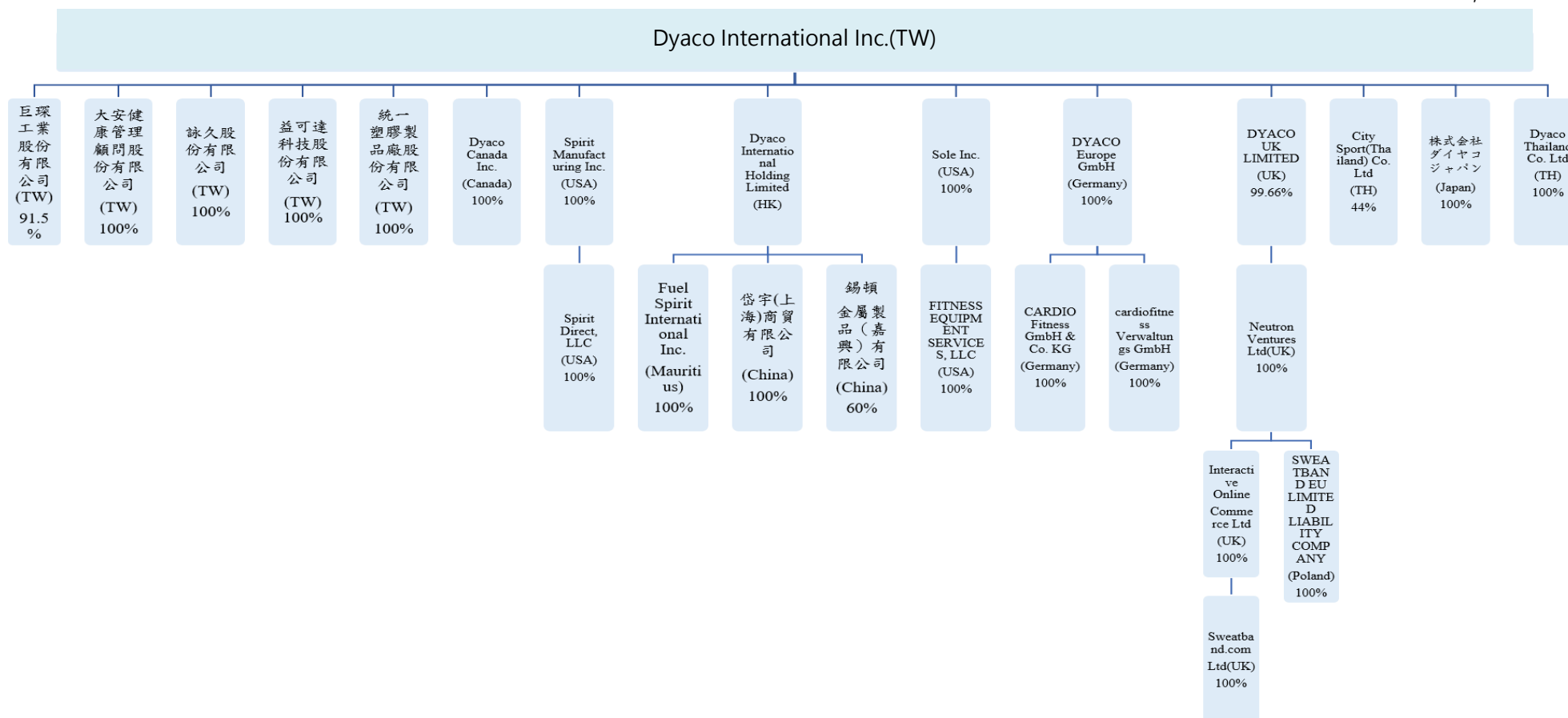
5.7. Other Important Matters: None.

6.1.Profiles of Affiliated Enterprises

6.1.1 Consolidated operating report of affiliated enterprises

1. Organizational chart of affiliated enterprises

December 31, 2025



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
Sweatband Eu Limited Liability Company	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
DYACO (THAILAND) Co., Ltd	2024.09.30	18/28 Moo 9 Khlong Lam Chiak Road, Bung Kum, Thailand	THB 81,596,658	Sales and manufacturing of electricity-assisted bike
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 5,848,450 shares	100%
Dyaco Europe GmbH	Director	Lin, Yu-Yin	Dyaco invests EUR16,400,000	100%
CARDIO Fitness GmbH &CO. KG	Representative	Lin, Yu-Yin	Dyaco invests EUR8,096,000	100%
CARDIO Fitness Verwaltungs GmbH	Representative	Lin, Yu-Yin	Dyaco invests EUR26,000	100%
Dyaco UK, Ltd.	Director	Lin, Yu-Yin	Dyaco holds 4,850,732 shares	100%
Spirit Manufacturing Inc.	President	Ken Krubbe	Dyaco holds 1,667.5 shares	100%
Spirit Direct LLC	Representative	John Gibbs	Spirit invests USD2,000,000	100%
Sole Inc.	Director	Lin, Yu-Yin	Dyaco invests USD43,000,000	100%
Fitness Equipment Service, LLC	Representative	Todd Udo	Sole Inc. invests USD13,610,000	100%
Dyaco Canada Inc.	Chairman	Lin, Yu-Yin	Dyaco holds 1,000 shares	100%
Dyaco Japan Co., Ltd.	President	Huang, Yu-Chih	Dyaco holds 5,980 shares	100%
Dyaco (Shanghai) Trading Co., LTD.	Chairman	Chen, Hsien-Ming	Dyaco Holding invests USD3,000,000	100%
Shelton Corporation (Jiaxing), LTD	Representative	Chang, Hsiu-Ming	Dyaco Holding invests USD21,830,000	60%
Wing Long Co., Ltd.	Chairman	Lin, Ing-Gin	Dyaco holds 2,500,000 shares	100%
President Plastic Products MFG. Co., Ltd.	Chairman	Lin, Yu-Yin	Dyaco holds 391,000 shares	100%
Daan Health Management Consulting Co., Ltd.	Chairman	Wu, Mei-Hua	Dyaco holds 1,000,000 shares	100%
Neutron Ventures Ltd	Director	Lin, Yu-Yin	Dyaco UK holds 308,070 shares	100%
Interactive Online Commerce Ltd	Director	Lin, Yu-Yin	Dyaco invests GBP2,632,000	100%
Sweatband.com Ltd	Director	Lin, Yu-Yin	Dyaco invests GBP2,604,000	100%
Neutron Ventures Poland S.p. Z o.o	Representative	Lin, Yu-Yin	Neutron Ventures invests PLN5,000	100%
City Sport Co. Ltd	Director	Chen, Sung-Kuo	Dyaco holds 176,000 shares	44%
DYACO (THAILAND) Co., Ltd	Director	Lin, Yu-Yin	Dyaco holds 1,000,000 shares	100%
Cikayda Inc.	Chairman	Lin, Yu-Yin	Dyaco holds 6,000,000 shares	100%
IUVO INDUSTRY CO.,LTD.	Chairman	Lin, Ing-Gin	Dyaco holds 18,300,000 shares	92%

6. Affiliated enterprises' operational review in 2025

Name	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Profit	Current Profit and Loss (After Tax)	EPS
Dyaco Holding Limited	HKD 126,415,463	HKD 215,993,121	HKD 339,285	HKD 215,653,835	HKD -	HKD 19,097	HKD (44,082,540)	HKD (0.34)
Fuel-Spirit International Inc.	USD 5,848,456	USD 4,891,722	USD 1,581,791	USD 3,309,931	USD 5,682,073	USD 128,301	USD 190,969	USD 0.0326
Dyaco Europe GmbH	EUR 500,000	EUR 2,663,670.72	EUR 3,054,423.28	EUR (390,752.56)	EUR 2,987,217.26	EUR (854,589.02)	EUR (3,790,326.29)	N/A
CARDIO Fitness GmbH & CO. KG	EUR 41,000	EUR 2,484,137	EUR 4,707,063	EUR (2,222,926)	EUR 7,577,469	EUR (2,838,972)	EUR (2,388,811)	N/A
CARDIO Fitness Verwaltungs GmbH	EUR 25,000	EUR 26,223.35	EUR 2,354.69	EUR 23,868.66	EUR 1,500.00	EUR (788.90)	EUR (788.90)	N/A
Dyaco UK, Ltd.	GBP 3,201,533	GBP 6,912,477	GBP 6,188,801	GBP 723,676	GBP 6,544,562	GBP (177,238)	GBP (2,910,053)	N/A
Spirit Manufacturing Inc.	USD 41,687	USD 35,914,840	USD 22,278,494	USD 13,636,346	USD 37,624,867	USD (2,554,407)	USD (575,865)	USD (13.81)
Spirit Direct LLC	USD 2,000,000	USD 2,435,940	USD 4,486,369	USD (2,050,429)	USD 2,288,341	USD (761,107)	USD (781,806)	N/A
Sole Inc.	USD 53,000,000	USD -	USD (14,346,807)	USD (14,346,807)	USD -	USD -	USD (7,806,070)	N/A
Fitness Equipment Service, LLC	USD 2,100,000	USD 39,833,521	USD 54,180,328	USD (14,346,807)	USD 62,152,125	USD (8,219,219)	USD (7,806,070)	N/A
Dyaco Canada Inc.	CAD 1,000	CAD 12,744,703	CAD 2,344,486	CAD 10,400,217	CAD 20,136,148	CAD 449,779	CAD 311,379	CAD 311.37
Neutron Ventures Ltd	GBP 146	GBP (1,016,076)	GBP 619,204	GBP (1,635,281)	GBP -	GBP (490)	GBP (1,868,284)	N/A
Interactive Online Commerce Ltd	GBP 25,818	GBP (814,945)	GBP 612,839	GBP (1,427,784)	GBP -	GBP -	GBP (1,880,176)	N/A
Sweatband Eu Limited Liability Company	PLN 5,000	PLN 210,834	PLN 171,464	PLN 39,370	PLN 2,117,161	PLN 67,511	PLN 59,572	N/A
Sweatband.com Ltd	GBP 1,593	GBP 5,600,030	GBP 7,033,168	GBP (1,433,137)	GBP 9,938,733	GBP (1,319,430)	GBP (1,800,176)	N/A
City Sports (Thailand) Co., Ltd.	THB 40,000,000	THB 20,122,323	THB 53,589,109	THB (33,466,786)	THB 13,433,246	THB (10,167,867)	THB (4,515,008)	N/A
Dyaco (Thailand) Co., Ltd	THB 81,596,658	THB 82,071,255.39	THB 506,474.00	THB 81,564,781.39	THB -	THB (39,798.50)	THB (31,876.61)	N/A
Dyaco Japan Co., Ltd.	JPY 30,000,000	JPY 155,186,659	JPY 311,521,979	JPY (156,335,320)	JPY 150,644,410	JPY (54,051,827)	JPY (59,232,880)	JPY (19.7)
Dyaco (Shanghai) Trading Co., LTD.	USD 3,000,000	RMB 45,367,345	RMB 11,719,657	RMB 33,647,688	RMB 35,962,722	RMB 4,071,300	RMB 3,732,584	N/A
Shelton Corporation (Jiaxing), LTD	USD 18,800,000	RMB 183,168,992	RMB 50,090,344	RMB 133,078,6480	RMB 136,015,452	RMB (34,200,649)	RMB (33,569,420)	N/A
President Plastic Products MFG. Co., Ltd.	TWD 39,100,000	TWD 38,440,227	TWD 900,000	TWD 37,540,227	TWD -	TWD (338,773)	TWD (329,782)	TWD (0.08)
Wing Long Co., Ltd.	TWD 25,000,000	TWD 8,544,292	TWD 4,891,775	TWD 3,652,517	TWD 2,149,073	TWD 786,139	TWD 410,058	TWD 0.16
Cikayda Inc.	TWD 60,000,000	TWD 157,159,269	TWD 115,062,223	TWD 42,097,046	TWD 10,842,560	TWD (17,266,510)	TWD (14,410,589)	TWD (2.40)
Daan Health Management Consulting Co., Ltd.	TWD 10,000,000	TWD 8,722,510	TWD 126,707	TWD 8,595,803	TWD 428,576	TWD (188,085)	TWD 70,136	TWD 0.07
Iuvo Industry Co., Ltd.	TWD 200,000,000	TWD 348,437,040	TWD 340,192,730	TWD 8,244,310	TWD 380,629,785	TWD (10,695,145)	TWD (19,758,547)	TWD (0.98)

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&

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