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TSANG YOW INDUSTRIAL CO.,LTD.

2025 Annual Report



Printing Date: April 10, 2026

I. Names, titles, contact numbers and emails of the spokesperson and acting spokesperson

Name of spokesperson: TSAI, MEI-FANG

Title: Manager, President's Office

Tel: (05)220-0888 ext. 1330

E-mail: sharontsai@tsangyow.com.tw

Acting Spokesperson: CHENG,LI-CHUN

Title: Manager of Operation and Management Department

Tel: (05)220-0888 ext. 1260

E-mail: chun@tsangyow.com.tw

II. Addresses and Telephone Numbers of the Company's Operating Locations

Zhongshan Plant: No. 18, Zhongshan Rd., **Fule Village**, Minxiong Township, Chiayi County, Taiwan (R.O.C.) (Head Office) Tel: (05) 220- 0888

Chenggong Plant: No. 38, Chenggong 2nd St., **Beidou Village**, Minxiong Township, Chiayi County, Taiwan (R.O.C.) Tel: (05) 220- 0888

Stamping Plant: No. 45 and No. 45-1, Zhongshan Rd., **Beidou Village**, Minxiong Township, Chiayi County, Taiwan (R.O.C.)

Tel: (05) 220- 0888

III. Name, Address, Website and Telephone Number of Share Registrar

Name: KGI Securities, Stock Agency Department

Address: 5F., No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City

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

Telephone: (02)2389-2999

IV. Name of the Certified Public Accountant (CPA) for the Latest Annual Financial Report

CPA Firm: Deloitte Taiwan

Name: CPAs CHEN,HSIU-WEN and Chen-Li Chen

Tel.: (07)530-1888

Adds: 3F., No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City

Website: <https://www2.deloitte.com/tw>

V. Name of the overseas exchange for listing and trading of overseas securities, and methods for inquiring about information on such securities: None.

VI. Company website: <https://www.tsangyow.com.tw>

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One. Letter to Shareholders

Dear Shareholders:

We sincerely thank all shareholders for taking the time to attend the Company's 2026 Annual General Shareholders' Meeting. The overall operating results for 2025 and the business outlook for 2026 are hereby reported as follows:

I. Operating Results of the Company for 2025:

(I) Implement results for business plans:

In 2025, the global economic environment was affected by geopolitical risks, trade policy uncertainty, and a high-interest rate environment, resulting in more conservative consumer demand. Under the trend of electrification, the automotive industry continued to face challenges arising from structural adjustments and intensified market competition. The development trend of new energy vehicles is evident; however, the recovery in demand for traditional vehicle models remains subject to macroeconomic factors, causing the overall industry growth momentum to remain conservative.

In 2025, the Group's consolidated operating revenue amounted to NT\$1,052,420 thousand, representing a slight increase of 0.3% compared to 2024; the consolidated gross margin was 33%, representing an increase of 5% compared to 2024; the consolidated operating net income was NT\$165,013 thousand, representing an increase of 38% compared to 2024. Revenue did not achieve significant growth due to the appreciation of the New Taiwan Dollar exchange rate and OEM customers' adjustments to production schedules. However, benefiting from strong demand in the AM (aftermarket) and OES (original equipment service) markets, as well as the commencement of shipments of key components for semiconductor equipment, the Company's product mix continued to be optimized. Together with effective cost and expense control, the Company's profitability within the industry improved significantly. Nevertheless, due to the strong appreciation of the New Taiwan Dollar exchange rate, recognized foreign exchange gains decreased significantly compared to the previous year. As a result, the Group's consolidated net income after tax for 2025 was NT\$138,918 thousand, and net income after tax attributable to the parent company was NT\$140,404 thousand. Earnings per share were NT\$1.36, representing a decrease of NT\$0.23 compared to 2024.

Overall, although the Group's operating performance in 2025 slowed compared to the previous year due to the impact of the external environment, the Company maintained good profitability and a sound financial structure, and actively engaged in the development of new products and new markets, demonstrating the resilience of its operations. With the completion of the Malaysia production base, a diversified strategic deployment has taken shape, which will help the Group enhance its global competitive advantage in response to future market demand.

(II) Implementation status of the budget:

The estimated consolidated operating revenue for 2025 was NT\$1,027,549 thousand, and the actual consolidated operating revenue was NT\$1,052,420 thousand, with an achievement rate of 102%.

(III) Financial performance and profitability analysis:

Item	Year			Increase (Decrease)(%)
	2024	2025		
Financial	Revenue (NT\$ thousand)	1,049,324	1,052,420	0.30

Performance	Gross Profit (NT\$ thousand)	291,860	340,781	16.76
	Net Income (NT\$ thousand)	160,577	138,918	(13.49)
Profitability Analysis	Return on Total Assets (%)	6.61	5.93	(10.29)
	Return on Equity (%)	8.60	7.07	(17.79)
	Pre-tax Income to Paid-in Capital Ratio (%)	20.23	16.66	(17.65)
	Net Margin (%)	15.30	13.19	(13.79)
	Earnings per Share (NT\$)	1.59	1.36	(14.47)

(IV) Research and Development:

- Successfully developed Bus transmission system
- Successfully developed Industrial machinery component Pull back plate
- Successfully developed Automotive transmission JS74 Differential Assembly
- Successfully developed Semiconductor equipment components SHIELD, HEAT 300MM EPI
- Successfully developed Display equipment components
- Successfully developed Industrial machinery truck clutch
- Successfully developed 45RFE Pump Cover Plate

II. Summary of 2026 Business Plan:

(I) Business policy:

- Strategic focus: Reduce costs and increase profits to enhance performance, enforce rigorous quality to build trust, drive efficiency through intelligent transformation, expand markets through diversified innovation, and build a sustainable future with shared prosperity.
- Concrete actions:
 1. Upgrade technology and promote innovation, drive product transformation, expand diversified product markets, and enhance revenue generation capacity.
 2. Accelerate regional economic deployment, establish short supply chain capabilities, and enhance global competitiveness.
 3. Strengthen quality management and cost control, pursue the maximization of “quality” and “value,” and meet customer needs.
 4. Enhance agility and flexibility to improve organizational resilience.
 5. Achieve intelligent production and digital management, drive new corporate value, and enhance industry competitiveness.
 6. Adopt a people-oriented approach, cultivate and retain talent, build high-performance teams, and strengthen organizational capabilities.
 7. Implement corporate governance, environmental co-existence, and social co-prosperity, and pursue sustainable corporate growth.

(II) Estimated Sales Volume and the Basis and Important Production and Sales Policies:

1. The Company's Sales Forecast for 2026 is as follows: Unit: **thousand** pcs

Item	Estimated sales volume for 2026
Automatic Transmission Components for Automobiles	1,743
Heavy-duty Truck Clutch Components	371
Drivetrain Parts for Industrial Machinery	135

Parts and components for new energy vehicle	72
Processing and others	22
Semiconductor Equipment Components	1

2. Basis: The Company's estimated sales volume is determined based on the sales strategy and the 2026 Business Plan.

III. Future Operation Direction

In response to the development trends of the automotive industry and changes and challenges in the global market, the Company will leverage the Group's advantages to implement relevant strategic deployments, continue to streamline operations, and promote the following strategies:

1. Product diversification: Continuously increase the revenue proportion of semiconductor equipment and new energy vehicle components, and reduce reliance on a single traditional automotive market. Leverage core precision machining technologies to develop high value-added key components and secure long-term orders from international Tier 1 manufacturers.
2. Global supply chain flexibility: Maximize the synergy of Southeast Asian production bases, shorten lead times through regional supply chains, and enhance customer satisfaction and market share.
3. Smartization and digital transformation: Continuously improve manufacturing processes and integrate resources, expand the application of automated production and digital management, optimize production efficiency, enhance management efficiency, and shorten development lead times to ensure competitiveness.
4. Implementation of ESG sustainability: Continuously focus on environmental protection, corporate governance, and social responsibility issues, promote energy conservation and carbon reduction, circular economy, and strengthen corporate governance to reduce operational risks and enhance long-term corporate value.

Looking ahead to 2026, uncertainties remain in the global economic environment, trade policies, and geopolitical developments. The Company will closely monitor changes in the external environment, prudently evaluate investment and operational decisions, and leverage greater organizational resilience and stronger technological capabilities to identify business opportunities amid transformation. Steadily promote the development of various businesses to maintain the Company's long-term competitiveness and operational stability, and continue to create long-term and stable value for shareholders. We look forward to the continued support and encouragement from all shareholders. We would like to express our most sincere gratitude to all shareholders for their long-standing support and trust.

Best wishes to our shareholders

Good health

All the best

Chairman: SU, CHI-TSE

Manager: SU, CHI-HU

Chief Accounting Officer: CHEN, HUI-JUNG

Two. Corporate Governance Report

I. Information on Directors, General Manager, Deputy General Managers, Assistant General Managers, and Heads of Departments and Branch Offices

(I) Profile of Directors::

March 28, 2026

Title(Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date of Election (Inauguration)	Term of office	Date Initially Elected (Note 3)	Shareholdings when Elected		Current Shareholdings		Current Shareholdings by Spouse or Minor Children		Shareholding in Other's Names		Major Experience (academic) Backgrounds (Note 4)	Positions in the Company and Other Companies	Other Managers, Directors or Supervisors with a Spouse or Second-Degree Relative Relationship			Remark (Note 5)
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
Chairman	R.O.C.	SU, CHI-TSE	Male 41-50	2024/05/24	3 years	June 13, 2018	1,781,867	1.73%	1,781,867	1.73%	0	0%	0	0%	<ul style="list-style-type: none"> Department of Business Administration, Tunghai University Executive Master of Business Administration (EMBA), Tunghai University Manager of Manufacturing Department and Manager of Human Resources Office, Linesoon Industrial Co., Ltd. General Manager and Chairman, Tsang Yow Industrial Co., Ltd. 	<ul style="list-style-type: none"> Chairman, Tsang Yow Industrial Co., Ltd. Director, Golden Top Investment Co., Ltd. Chairman, Rich Pool Investment Co., Ltd. Supervisor, Linesoon Industrial Co., Ltd. Director, Linesoon Investment Co., Ltd. 	Director/General Manager	SU, CHI-HU	Brothers	None
																Director/Deputy General Manager	CHU, CHEN-YI	In-law		
Director	R.O.C.	SU, CHI-HU	Male 41-50	2024/05/24	3 years	2024/05/24	677,000	0.66%	2,712,000	2.63%	1,513,491	1.47%	0	0%	<ul style="list-style-type: none"> Bachelor's degree in Business Administration, University of Denver, U.S.A. Executive Master of Business Administration (EMBA), National Cheng Kung University HR Manager, Linesoon Industrial Co., Ltd. Executive Vice President, Deputy General Manager, General Manager, and Director, Tsang Yow Industrial Co., Ltd. 	<ul style="list-style-type: none"> Chairman, Rich Pool Investment Co., Ltd. Director and General Manager, Tsang-Yow Industrial Co., Ltd. 	Chairman	SU, CHI-TSE	Brothers	None
																Director/Deputy General Manager	CHU, CHEN-YI	Spouse		
																Director	CHU, SAN-TU	In-law		
Director	R.O.C.	Rich Pool Investment Co., Ltd.	Not applicable				7,961,779	7.72%	7,961,779	7.72%	0	0%	0	0%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	None
Director	R.O.C.	Representative: HSIEH, HSIN-SHU	Male 71-80	2024/05/24	3 years	June 29, 2012	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> Department of Accounting, National Chengchi University Executive Master of Business Administration (EMBA), National Chung Cheng University System Designer, Computer Center, China Steel Corporation Certified Public Accountant Examination, 1983 Senior Auditor, Deloitte & Touche Person in Charge, Hsieh Hsing-Shu CPA Firm 	<ul style="list-style-type: none"> Person in Charge, Hsieh Hsing-Shu CPA Firm Independent Director, China Steel Chemical Corporation 	None	None	None	None
Director	R.O.C.	SU, HSIN-CHENG	Male 61-70	2024/05/24	3 years	June 03, 2003	1,717,762	1.67%	1,717,762	1.67%	4,000	0%	0	0%	<ul style="list-style-type: none"> Psychology, Chengchi University General Manager, Linesoon Industrial Co., Ltd. 	<ul style="list-style-type: none"> Director and General Manager, Linesoon Industrial Co., Ltd. Director, Linesoon Investment Co., Ltd. Chairman, Golden Top Investment Co., Ltd. Chairman, Trantop International Co., Ltd. 	None	None	None	None
Director	R.O.C.	CHU, SAN-TU	Male 61-70	2024/05/24	3 years	December 26, 2003	601,058	0.58%	601,058	0.58%	837,584	0.81%	0	0%	<ul style="list-style-type: none"> Nantou Junior High School Chairman, SUNFORGING INDUSTRIAL CO., LTD. Chairman, JIN SHIANG FORGING CO., LTD. 	<ul style="list-style-type: none"> Chairman, SUNFORGING INDUSTRIAL CO., LTD. Chairman, JIN SHIANG FORGING CO., LTD. 	Director/Deputy General Manager	CHU, CHEN-YI	Father and daughter	None
																Director/General Manager	SU, CHI-HU	In-law		
Director	R.O.C.	CHU, CHEN-YI	Female 41-50	2024/05/24	3 years	2024/05/24	1,493,491	1.45%	1,513,491	1.47%	2,712,000	2.54%	0	0%	<ul style="list-style-type: none"> Master of Information Systems and Applications, Griffith University Special Assistant to the General Manager, Linesoon Industrial Co., Ltd. Associate Manager, Assistant to the Chairman, and Deputy General Manager, Marketing Division, Tsang Yow Industrial Co., Ltd. 	<ul style="list-style-type: none"> Director and Vice President, Tsang Yow Industrial Co., Ltd. Supervisor, JIN SHIANG FORGING CO., LTD. 	Chairman	SU, CHI-TSE	In-law	None
																Director/General Manager	SU, CHI-HU	Spouse		
																Director	CHU, SAN-TU	Father and daughter		
Independent Director	R.O.C.	OU, CHIN-SHYH	Male 61-70	2024/05/24	3 years	June 13, 2015	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> Doctor of Management, University of Minnesota, USA Professor, Department of Accounting and Information Technology, National Chung Cheng University Independent Director, ChipMOS TECHNOLOGIES INC. 	<ul style="list-style-type: none"> Honorary Professor, Department of Accounting and Information Technology, National Chung Cheng University 	None	None	None	None

Title(Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date of Election (Inauguration)	Term of office	Date Initially Elected (Note 3)	Shareholdings when Elected		Current Shareholdings		Current Shareholdings by Spouse or Minor Children		Shareholding in Other's Names		Major Experience (academic) Backgrounds (Note 4)	Positions in the Company and Other Companies	Other Managers, Directors or Supervisors with a Spouse or Second-Degree Relative Relationship			Remark (Note 5)
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
Independent Director	R.O.C.	CHEN, CHIH-CHANG	Male 51-60	2024/05/24	3 years	July 15, 2021	0	0%	0	0%	0	0%	0	0%	<ul style="list-style-type: none"> • Doctor of Business Administration, National Yunlin University of Science and Technology • Master of Public Administration, Eastern Washington University, U.S.A. • Director, Po Han Co., Ltd. • Department Chair, Department of Business Administration, Taiwan Shoufu University • Chief Representative in Beijing, China Life Insurance Co., Ltd. • Assistant Professor approved by the Ministry of Education (Assistant Professor Certificate No. 039025); Member of the Curriculum Review Committee, Southern Taiwan University of Science and Technology • Secretary-General, Tainan Yizai Association • Adjunct Assistant Professor, National Yunlin University of Science and Technology 	<ul style="list-style-type: none"> • Director, TISO Technologies Co., Ltd. • Adjunct Assistant Professor, Nanhua University • Independent Director, Man Zai Industrial Co., Ltd. • Independent Director, Aeon Motor Co., Ltd. • Independent Director, Li Kang Biotechnical Co., Ltd. 	None	None	None	None
Independent Director	R.O.C.	LIN, CHIU-HSIEN	Male 71-80	2024/05/24	3 years	July 15, 2021	0	0%	0	0%	55,000	0.05%	0	0%	<ul style="list-style-type: none"> • Department of Public Finance, Feng Chia University • Audit Officer, Southern Area National Taxation Bureau, Ministry of Finance • Confidential Secretary and Head, Finance Division, Jiali Township Office, Tainan County • Head, Cultural Affairs Division, Jiali District Office, Tainan County 	None	None	None	None	

Note 1: For corporate shareholders, this section shall indicate the names of the corporate shareholders and fill in Table 1 below.

Note 2: Please state the actual age, and the range can be expressed, such as 41–50 years old or 51–60 years old.

Note 3: Please indicate the time for the first appointment as a director, and provide a note where there is an interruption during the period of service.

Note 4: Relevant experience with the current position. If a former employee from the auditing CPA firm or affiliated entities, details of the job title and duties shall be disclosed.

Note 5: When the Chairman and the President or person of an equivalent post (the highest level manager) are the same person, spouses, or first-degree relatives, an explanation, regarding the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of director seats, or decreasing the percentage of employee directors to less than 50%), shall be provided.

Note 1: Shares held in the name of another person by directors: None.

Note 2: If the Chairman and the General Manager or equivalent (highest-ranking executive) are the same person, spouses of each other, or first-degree relatives: None.

1. Corporate Shareholder Information

(1) Major Shareholders of the Corporate Shareholder

March 28, 2026

Name of Corporate Shareholder (Note 1)	Major Shareholders of the Corporate Shareholder (Note 2)
Rich Pool Investment Co., Ltd.	Linesoon Investment Co.,Ltd. (Representative: SU, CHIN-CHU) (26.67%), HSU, WEN-YING (10.50%), CHENG, HSIU-PEN (6.92%), HUANG LI-MEI (5.83%), SU, HSIN-CHENG (4.83%), SU, CHI-HU (4.75%), SU, CHI-TSE (4.50%), SU, CHI-WEN (4.17%), SU, CHIH-CHENG (4.08%), SU,CHIH-CHUNG (4.08%)
Golden Top Investment Co., Ltd.	Linesoon Investment Co.,Ltd. (Representative: SU, CHIN-CHU) (25.00%), HSU, WEN-YING (13.75%), CHENG, HSIU-PEN (11.25%), SU, CHI-TSE (10.00%), HUANG LI-MEI (6.25%), SU,CHIH-CHUNG (5.00%), SU, YU-CHIH (5.00%), SU, YU-CHAN (5.00%), SU,CHIH-CHUNG (5.00%), SU, HSIN-CHENG (3.75%) Yung-Chang Su (3.75%)

Note 1: Names of corporate shareholder shall be disclosed when the director is represented by a natural person

Note 2: Names of major shareholders of the corporate shareholder and the shareholding percentage shall be disclosed, if a top-10 shareholder. Table 2 below shall be filled if a legal person

Note 3: Corporate shareholder not an institution, name of the shareholder and his/her shareholding are the investor or the sponsor (please refer to the notification from Judicial Yuan) and his/her investment or sponsorship percentage. Deceased sponsors shall be noted.

(2) Where the major shareholders of corporate shareholders are themselves corporate entities, their major shareholders

March 28, 2026

Corporate Shareholder (Note 1)	Key Shareholders of the Corporate Shareholder (Note 2)
Linesoon Investment Co., Ltd.	SU, YU-CHIH (9.67%), SU, YU-CHENG (9.67%), SU, CHIN-CHU (7.45%), SU, HSIN-CHENG (7.19%), SU, CHI-TSE (7.09%), HSU, WEN-YING (7.07%), CHENG, HSIU-PEN (6.90%), SU, YU-CHAN (6.27%), SU, CHI-HU (6.26%), SU, CHI-WEN (5.88%)

Note 1: From Table 1 above, names of corporate shareholder shall be disclosed if a legal person

Note 2: Names of major shareholders of the corporate shareholder and the shareholding percentage shall be disclosed, if a top-10 shareholder.

Note 3: Corporate shareholder not an institution, name of the shareholder and his/her shareholding are the investor or the sponsor (please refer to the notification from Judicial Yuan) and his/her investment or sponsorship percentage. Deceased sponsors shall be noted.

(II) Disclosure of professional qualifications of Directors and independence of Independent

Directors:

Directors' information

Qualification Name	Professional qualification and experience (Note 1)	Independence Status (Note 2)	Number of Public Companies where the Director Concurrently Serves as an Independent Director
SU, CHI-TSE Chairman	Has more than five years of work experience required for the Company's business, having served as Manager of the Manufacturing Department and Human Resources Office at Linesoon Industrial Co., Ltd., and General Manager of Tsang Yow Industrial Co., Ltd. Possesses capabilities in operational judgment, business management, industry knowledge, leadership, and decision-making. Currently serves as Chairman of Rich Pool Investment Co., Ltd. and Chairman of the Company.	None of the circumstances specified in Article 30 of the Company Act apply.	
SU, CHI-HU Director	Has more than five years of work experience required for the Company's business, having served as Manager of the Human Resources Office at Linesoon Industrial Co., Ltd., and Executive Vice President and Vice President of Tsang Yow Industrial Co., Ltd. Possesses capabilities in operational judgment, business management, industry knowledge, leadership, and decision-making. Currently serves as General Manager of the Company.	None of the circumstances specified in Article 30 of the Company Act apply.	
Rich Pool Investment Co., Ltd. Representative: HSIEH, HSIN-SHU Director	Has more than five years of work experience required in finance, accounting, and the Company's business, holds a Certified Public Accountant qualification in Taiwan, and has served as a System Designer at the Computer Center of China Steel Corporation, Senior Auditor at Deloitte & Touche, and Independent Director of the Company. Possesses expertise in business management, industry knowledge, and corporate finance and accounting. Currently serves as the Person in Charge of Hsieh Hsing-Shu CPA Firm, and concurrently as Independent Director	None of the circumstances specified in Article 30 of the Company Act apply.	1

Qualification Name	Professional qualification and experience (Note 1)	Independence Status (Note 2)	Number of Public Companies where the Director Concurrently Serves as an Independent Director
	and Chairman of the Audit Committee of China Steel Chemical Corporation.		
SU, HSIN-CHENG Director	Has more than five years of work experience required for the Company's business, possesses capabilities in business management, industry knowledge, leadership, and decision-making. Currently serves as Director and General Manager of Linesoon Industrial Co., Ltd., Director of Linesoon Investment Co., Ltd., Chairman of Golden Top Investment Co., Ltd., and Chairman of Trantop International Co.,Ltd.	None of the circumstances specified in Article 30 of the Company Act apply.	
CHU, SAN-TU Director	Has more than five years of work experience required for the Company's business, possesses capabilities in business management, industry knowledge, leadership, and decision-making. Currently serves as Chairman of JIN SHIANG FORGING CO., LTD. and SUNFORGING INDUSTRIAL CO., LTD.	None of the circumstances specified in Article 30 of the Company Act apply.	
CHU, CHEN-YI Director	Has more than five years of work experience required for the Company's business, having served as Special Assistant to the General Manager at Linesoon Industrial Co., Ltd., Associate Manager, Assistant to the Chairman, and Deputy General Manager of the Marketing Division at Tsang Yow Industrial Co., Ltd. Possesses capabilities in business management, industry knowledge, leadership, and decision-making. Currently serves as Vice President of the Company and Supervisor of Jin Shiang Industrial Co., Ltd.	None of the circumstances specified in Article 30 of the Company Act apply.	
OU, CHIN-SHYH Independent Director	Has more than five years of work experience required in commerce, finance, accounting, and the Company's business, holds Certified Public Accountant qualifications in Taiwan and the United States, as well as Certified Internal Auditor qualifications. Has served as Professor of the Department of Accounting and Information Technology at National	(1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (3) Not a natural person shareholder with at least 1% of the Company's total issued shares or among the top-10 largest natural person shareholders based on the shares owned in person, by the spouse or minor children or under the name of others. (4) Not a spouse or a relative within second degree or a	

Qualification Name	Professional qualification and experience (Note 1)	Independence Status (Note 2)	Number of Public Companies where the Director Concurrently Serves as an Independent Director
	Chung Cheng University and Independent Director of Nan Ya Technology Corporation. Possesses capabilities in corporate operations, financial analysis, accounting affairs, and crisis management, with extensive academic and industry experience. Currently serves as Honorary Professor of the Department of Accounting and Information Technology at National Chung Cheng University.	direct relative within third degree to any of the managers listed in (1) and personnel listed in (2) or (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company or that are ranked among the top-five in shareholding, or that designates its representative to serve as a director or supervisor of the company under Article 27-1 or Article 27-2 of the Company Act.	
CHEN, CHIH-CHANG Independent Director	Has more than five years of work experience required in finance, accounting affairs, and the Company's business, having served as Director of Po Han Co., Ltd., Chief Representative in Beijing of China Life Insurance Co., Ltd., Department Chair of the Department of Business Administration at Taiwan Shoufu University, Secretary-General of Tainan Yizai Association, and Adjunct Assistant Professor at National Yunlin University of Science and Technology. Possesses experience in corporate operations, business management, and academic teaching. Currently serves as Director of TISO Technologies Co., Ltd., Adjunct Assistant Professor at Nanhua University, and concurrently as Independent Director of Man Zai Industrial Co., Ltd., Aeonmotor Co., Ltd., and Li Kang Biotechnology Co., Ltd.	(6) Not a director, supervisor or employee from companies controlled by the identical shareholder that commands a majority of the Company's director seats or voting shares. (7) Not a chairperson, President, or person holding an equivalent position of the Company; or a director, a supervisor, or an employee in another company or institution of his/her spouse. (8) Not a specific entity dealing with the Company financially or in business; a director, supervisor, executive from an institution; or shareholder of more than 5% holding. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides audit service to the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past two years thereof. (10) Not a spouse or a second-degree relative to other directors. (11) (3) Not because of a status of a government agency, a legal person or the representatives thereof elected as described under Article 27 of the Company Act.	3
LIN, CHIU-HSIEN Independent Director	Has more than five years of work experience required in finance, accounting affairs, and the Company's business, having served as Audit Officer of the Southern Area National Taxation Bureau, Ministry of Finance, Confidential Secretary and Head of the Finance Division of the Jiali Township Office, Tainan County, and Head of the Cultural Affairs Division of the Jiali District Office, Tainan County. Possesses capabilities in accounting and financial analysis, with extensive experience and expertise in finance and taxation.	(12) Not a person of any conditions defined by the provisions of Article 30 of the Company Act.	

Note 1: Professional qualifications and experience: The professional qualifications and experience of each director shall be described. If a director is a member of the Audit Committee and possesses accounting or financial expertise, his or her accounting or financial background and work experience shall be specified, and a statement shall be made as to whether any of the circumstances specified in Article 30 of the Company Act apply

Note 2: Independent directors shall disclose whether they meet the independence requirements, including but not limited to whether they, their spouse, or relatives within the second degree of kinship serve as directors or employees of the Company or its affiliated enterprises; the number and percentage of the Company's shares held by them, their spouse, or relatives within the second degree of kinship (or held through nominee accounts); whether they serve as directors or employees of companies having specific relationships with the Company (as defined in Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received for providing business, legal, financial, or accounting services to the Company or its affiliated enterprises in the most recent two years.

(III) Diversification and Independence of Board of Directors:

1. Diversification Policy:

The election of board members is based on the nomination system with gridlines under “Measure for Election of Board of Directors” and “Corporate Governance Best-Practice Principles.” The composition of the Board of Directors shall be determined by taking diversity into account. It shall be formulated according to and include, without being limited to, the following two general aspects:

- (1) Basic requirement and values: gender, age, nationality, and culture.
- (2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. Board members shall have the knowledge, skill, and competency, as follow, necessary to perform their duties:
 - Ability to make operational judgments
 - Ability to perform accounting and financial analysis
 - Ability in operations and management
 - Crisis management ability
 - Industry knowledge
 - Understanding of international markets
 - Leadership ability
 - Decision-making ability

2. Specific Management Objectives and Current Achievement Status of the Board of Directors

Diversity Policy:

(1) Diversification targets:

- A: No more than two independent directors holding the seats more than three terms in a row.
- B. Emphasis shall be placed on gender equality in the composition of the Board of Directors, with at least one director of a different gender, and with the objective that directors of each gender shall account for one-third (i.e., 33%) of the Board seats.
- C. The number of directors concurrently serving as managerial officers of the Company shall not exceed one-third (i.e., 33%) of the Board seats.

(2) Implementation Status:

A. <Table 1> Board Composition Diversity: Among the current Board members, 2 directors are aged between 71 and 80, 3 directors are aged between 61 and 70, 1 director is aged between 51 and 60, and 3 directors are aged between 41 and 50; 2 directors concurrently holding employee status account for 22%; 3 independent directors account for 33%; 2 independent directors have served no more than three consecutive terms; 1 female director accounts for 11%. The Company will endeavor to increase the number of female directors in the future to achieve the target.

B. <Table 2> Diversity of Directors’ Managerial Competencies: The Company’s 15th Board of Directors comprises 9 directors, including 3 independent directors and 6 non-independent directors. The directors possess practical experience in corporate management of listed companies and are equipped with expertise in leadership and decision-making, crisis management, international market perspective, industry knowledge, and operational judgment. The composition of the current Board meets the management objectives of the diversity policy.

Diversity of the Board of Directors

Title	Name	Basic Information							Term of Independent Director
		Nationality	Gender	Current Position at the Company and other Entities at the Moment	Age				
					41-50	51-60	61-70	71-80	
Chairman	SU, CHI-TSE	R.O.C.	Male		√				
Director	SU, HSIN-CHENG	R.O.C.	Male				√		
Director	CHU, SAN-TU	R.O.C.	Male				√		
Director	HSIEH, HSIN-SHU	R.O.C.	Male					√	
Director	SU, CHI-HU	R.O.C.	Male	√	√				
Director	CHU, CHEN-YI	R.O.C.	Female	√	√				
Independent Director	OU, CHIN-SHYH	R.O.C.	Male				√		Term 3
Independent Director	CHEN, CHIH-CHANG	R.O.C.	Male			√			Term 2
Independent Director	LIN, CHIU-HSIEN	R.O.C.	Male					√	Term 2

<Table 2> Diversity of Directors' Managerial Competencies

Title	Name	Diversification Element							
		Operation Judgment	Accounting & Financial Analysis	Business Management	Crisis Handling	Industry Knowledge	Knowledge of International Markets	Leadership	Decision-Making
Chairman	SU, CHI-TSE	√	√	√	√	√	√	√	√
Director	SU, HSIN-CHENG	√		√	√	√	√	√	√
Director	CHU, SAN-TU	√		√	√	√	√	√	√
Director	HSIEH, HSIN-SHU	√	√	√	√	√	√	√	√
Director	SU, CHI-HU	√	√	√	√	√	√	√	√
Director	CHU, CHEN-YI	√	√	√	√	√	√	√	√
Independent Director	OU, CHIN-SHYH	√	√	√	√	√	√	√	√
Independent Director	CHEN, CHIH-CHANG	√	√	√	√	√	√	√	√
Independent Director	LIN, CHIU-HSIEN	√	√	√	√	√	√	√	√
Achievement Rate		100%	78%	100%	100%	100%	100%	100%	100%

(IV) Information on the Management Team

March 28, 2026

Title (Note 1)	Nationality	Name	Gender	Date of Election (Inauguration)	Current Shareholding		Spouse and Minor Shareholding		Shareholding in Other's Names		Major Experience (Academic) Backgrounds (Note 4) (Note 2)	Positions in the Company and Other Companies	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remark (Note 3)
					Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relationship	
President and Head of General Administration Division	R.O.C.	SU, CHI-HU	Male	May 11, 2021	2,712,000	2.63%	1,513,491	1.47%	0	0%	<ul style="list-style-type: none"> • Bachelor's degree in Business Administration, University of Denver, U.S.A. • EMBA (Executive Master of Business Administration), National Cheng Kung University • Production Management, Plant Affairs, Sales Specialist, and HR Office Manager, Liangxin Industrial Co., Ltd. • Vice President of General Management Division and Executive Vice President, Tsang Yow Industrial Co., Ltd. 	Chairman, Rich Pool Investment Co., Ltd.	Deputy General Manager	Chen-Yi Chu	Spouse	None
Vice President, Marketing Division	R.O.C.	KUO,WEN-TANG (Remark 1)	Male	August 20, 2021	223,680	0.22%	2,712,000	2.63%	0	0%	<ul style="list-style-type: none"> • Master's degree in Information Systems, Griffith University, Australia • Marketing Specialist; Special Assistant to Chairman of the Company, Tsang Yow Industrial Co., Ltd. • Special Assistant to General Manager, Liangxin Industrial Co., Ltd. 	None	None	None	None	None
Vice President, Manufacturing Center	R.O.C.	CHU, CHEN-YI	Female	May 26, 2018	1,513,491	1.47%	2,623,000	2.54%	0	0%	<ul style="list-style-type: none"> • Master's degree in Mechanical Engineering, National Kaohsiung University of Science and Technology • Mechanical Engineer, Nuclear No. 2 Construction Office, Taiwan Power Company • R&D Project Manager, Materials Management Department Manager, and Development Department Manager, Tsang Yow Industrial Co., Ltd. • General Manager, Wuxi Tsang Yow Auto Parts Co., Ltd.; Vice President of R&D Center 	None	General Manager	Chi-Hu Su	Spouse	None
Vice President of the Production Center	R.O.C.	WANG, HU-CHO (Remark 2)	Female	January 13, 2023	25,000	0.02%	0	0%	0	0%	<ul style="list-style-type: none"> • Master's in Electrical Engineering, National Kaohsiung University of Science and Technology • Construction Mechanical Engineer, Second Nuclear Power Plant, Taiwan Power; R&D Project Manager, Material & Parts Department Manager, Development Department Manager, Tsang Yow Industrial Co., Ltd.; President, Wuxi Tsang Yow Auto Parts Co., Ltd., 	None	None	None	None	None
Head of Finance Department concurrently serving as Head of Accounting	R.O.C.	CHEN, HUI-JUNG	Female	November 08, 2014	8,000	0.01%	0	0%	0	0%	<ul style="list-style-type: none"> • Master's in Accounting and Information Technology, National Chung Cheng University • Section Chief, Accounting Section, Tsang Yow Industrial Co., Ltd.; Deputy Manager, Finance Department 	None	None	None	None	None

Note 1: The information in this table should be disclosed for the general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units, including all persons in positions equivalent to general manager, assistant general manager, or deputy assistant general manager, regardless of job title.

Note 2: Relevant experience with the current position. If a former employee from the auditing CPA firm or affiliated entities, details of the job title and duties shall be disclosed.

Note 3: If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

Remark 1: KUO,WEN-TANG was originally the Deputy General Manager of the Manufacturing Center. On February 26, 2025, due to organizational adjustment, he was reassigned to the R&D Center to concurrently serve as Deputy General Manager of the Quality Assurance Division. On January 1, 2026, due to organizational adjustment in job allocation, he was reassigned to the R&D Center as Chief Technology Officer.

Remark 2: WANG, HU-CHO was originally the Deputy General Manager of the R&D Center concurrently serving as Deputy General Manager of the Quality Assurance Division. On February 26, 2025, due to organizational adjustment, he was reassigned as Deputy General Manager of the Manufacturing Center.

Remark 3: Where the General Manager or equivalent position (the highest-ranking executive) and the Chairman are the same person, spouses, or relatives within the first degree of kinship: None.

II. Remuneration of directors, supervisors, general manager and deputy general managers in the latest year (year 2025)

(I) Remuneration of non-independent and independent directors (individual disclosure of name and remuneration method)

Unit: NT\$ thousand

Title	Name	Director's Remuneration										Associated Remuneration to Part-time Employees								The sum of A, B, C, D, E, F and G as a percentage of net income (Note 10)		Remuneration from Non-Subsidiary Entities or Parent Companies (Note 11)
		Base Compensation (A) (Note 2)		Severance Pay and Pensions (B)		Director's Remuneration (C) (Note 3)		Business Allowance (D) (Note 4)		(A + B + C + D) as a % of Net Income (Note 10)		Salary, rewards, and special disbursements (E) (Note 5)		Severance Pay and Pensions (F)		Employee Profit Sharing (G) (Note 6)						
		The Company	From All Consolidated Entities (Note 7)	The Company	From All Consolidated Entities (Note 7)	The Company	From All Consolidated Entities (Note 7)	The Company	From All Consolidated Entities (Note 7)	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities (Note 7)	The Company	From All Consolidated Entities (Note 7)	The Company		From All Consolidated Entities (Note 7)		The Company	From All Consolidated Entities	
														Cash	Stock	Cash	Stock					
Director	SU, CHI-TSE	5,154	5,154	0	0	1,202	1,202	12	12	6,368 4.54%	6,368 4.54%	0	0	0	0	0	0	0	0	6,368 4.54%	6,368 4.54%	None
	Rich Pool Investment Co., Ltd. Representative: HSIEH, HSIN-SHU	0	0	0	0	401	401	9	9	410 0.29%	410 0.29%	0	0	0	0	0	0	0	0	410 0.29%	410 0.29%	None
	SU, CHI-HU	0	0	0	0	401	401	12	12	413 0.29%	413 0.29%	4,156	4,156	108	108	442	0	442	0	5,119 3.65%	5,119 3.65%	None
	SU, HSIN-CHENG	0	0	0	0	401	401	9	9	410 0.29%	410 0.29%	0	0	0	0	0	0	0	0	410 0.29%	410 0.29%	None
	CHU, SAN-TU	0	0	0	0	401	401	12	12	413 0.29%	413 0.29%	0	0	0	0	0	0	0	0	413 0.29%	413 0.29%	None
	CHU, CHEN-YI	0	0	0	0	401	401	12	12	413 0.29%	413 0.29%	3,367	3,367	99	99	277	0	277	0	4,156 2.96%	4,156 2.96%	None
Independent Director	OU, CHIN-SHYH	300	300	0	0	161	161	36	36	497 0.35%	497 0.35%	0	0	0	0	0	0	0	0	497 0.35%	497 0.35%	None
	CHEN, CHIH-CHANG	240	240	0	0	161	161	36	36	437 0.31%	437 0.31%	0	0	0	0	0	0	0	0	437 0.31%	437 0.31%	None
	LIN, CHIU-HSIEN	240	240	0	0	161	161	36	36	437 0.31%	437 0.31%	0	0	0	0	0	0	0	0	437 0.31%	437 0.31%	None

1. Directors and Independent Directors' remuneration policies, procedures, standards, and structure, as well as the linkage to responsibilities, risk and time spent:

All payments made is based on "Rules for Distribution of Compensation to Directors":

(1) Travel allowance is paid to directors attending the meeting.

(2) Fixes compensation paid to directors and independent directors who also participate in business operation is based on the salary rules and procedures of the Company.

(3) According to Article 28 under the Company's Articles of Incorporation, remuneration paid to directors is resolved by the Board of Directors according to individual director's involvement and contribution to the business operation with the reference to the industry market rate, not overriding the salary rules and standards of the Company. According to Article 28 under the Company's Articles of Incorporation, a 5% distribution will be made as director's remuneration, when there's net income from the Company's operation.

2. Other than the disclosures above, there is no compensation received by the directors for providing services (such as serving as consultants to the parent company, all entities included in the consolidated financial statements, or non-employee roles in invested entities) in the most recent fiscal year.

Compensation Range

Director Remuneration Range	Director			
	From (A+B+C+D)		Sum of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	From All Consolidated Entities (Note 9)H	The Company (Note 8)	From All Consolidated Entities (Note 9)I
Below NT\$1,000,000	Representative(s) of Rich Pool Investment Co., Ltd.: Hsieh, Hsing-Shu; Su, Chi-Hu; Su, Hsin-Cheng; Chu, San-Tu; Chu, Chen-Yi; Ou, Chin-Shih; Chen, Chih-Chang; Lin, Chiu-Hsien.	Representative(s) of Rich Pool Investment Co., Ltd.: Hsieh, Hsing-Shu; Su, Chi-Hu; Su, Hsin-Cheng; Chu, San-Tu; Chu, Chen-Yi; Ou, Chin-Shih; Chen, Chih-Chang; Lin, Chiu-Hsien.	Representative(s) of Rich Pool Investment Co., Ltd.: Hsieh, Hsing-Shu; Su, Hsin-Cheng; Chu, San-Tu; Ou, Chin-Shih; Chen, Chih-Chang; Lin, Chiu-Hsien.	Representative(s) of Rich Pool Investment Co., Ltd.: Hsieh, Hsing-Shu; Su, Hsin-Cheng; Chu, San-Tu; Ou, Chin-Shih; Chen, Chih-Chang; Lin, Chiu-Hsien.
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)				
NT\$2,000,000 (inclusive) – NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)			CHU, CHEN-YI	CHU, CHEN-YI
NT\$5,000,000 (inclusive) – NT\$10,000,000 (exclusive)	SU, CHI-TSE	SU, CHI-TSE	SU, CHI-TSE; SU, CHI-HU	SU, CHI-TSE; SU, CHI-HU
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)				
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)				
Above NT\$100,000,000				
Total	9	9	9	9

Note 1: Director name shall be listed separately (for corporate shareholders, name of the institution and representative shall be disclosed). Director types shall be noted with the disclosure of aggregated payments made. Directors who serve as General Manager or Vice President shall provide information in the table below (3-1) or (3-2-1) and (3-2-2).

Note 2: Include compensation paid, in the current year, to directors including director salary, supplementary and severance pays, reward and incentive payments.

Note 3: Include compensation paid, in the current year, to directors, through approvals from the Board meeting.

Note 4: Include expenses necessary for carrying out business operation, including travel and special allowances, all fringe benefits, dormitories, company cars, and other supplementary goods and services. Such as housing, automobile and other transportation tools or individual expenses. Information including natural of the assets provided, the associated cost, actual or market rents, gasoline and other payments made, shall be disclosed. In addition, where a driver is provided, please provide a note explaining the relevant remuneration paid by the Company to such driver; however, such remuneration shall not be included in the remuneration.

Note 5: Include compensation paid, in the current year, to directors who are also employees (covering President, Vice President, other managers and employees), including salary, job supplementary and severance pays, reward and incentive payments, travel and special allowances, all fringe benefits, dormitories, company cars, and other supplementary goods and services. Such as housing, automobile and other transportation tools or individual expenses. Information including natural of the assets provided, the associated cost, actual or market rents, gasoline and other payments made, shall be disclosed. In addition, where a driver is provided, please provide a note explaining the relevant remuneration paid by the Company to such driver; however, such remuneration shall not be included in the remuneration. According to IFRS 2 “Share-based Payment,” salary expense recognized shall include employee stock warrant, employee new-share rights, and rights to subscribe new share issuance and cash capital increase.

Note 6: Information regarding employee profit sharing (in both shares and cash) resolved by the Board meetings in the most recent year to employee directors (covering General Manager, Vice President, other managers and employees) shall be disclosed. If not available, an estimate calculated proportional to the actual payment last year shall be adopted with the Attached Table 1-3 filled.

Note 7: Total compensation, by category, paid to directors of the Companies (including consolidated entities in the financial reports) shall be disclosed.

Note 8: Director names shall be disclosed in the relevant range based on total compensation received from the Company.

Note 9: Director names shall be disclosed in the relevant range based on total compensation received from all consolidated entities in the financial reports

Note 10: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 11: a. Compensation received by the directors from non-subsidiary entities or the parent company shall be filled in (None, if not available).

b. Compensation received by the director from non-subsidiary entities or the parent company shall be added to Remuneration Range “I.” And the column title shall be changed to “Parent and All Investee Entities.”

c. The compensation include remuneration (covering business allowances) received as a director, manager of any non-subsidiary investee entity or the parent company by the director of the Company.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

(II) Remuneration to Supervisors

After the revision of the Company’s Article of Incorporation on June 29, 2012, the supervisor system was replaced with the establishment of Audit Committee.

(III) Remuneration of the General Manager and Deputy General Manager (individual disclosure of name and compensation details)

Unit: NT\$ thousand

Title	Name	Salary (A) (Note 2)		Severance Pay and Pensions (B)		Bonus and special allowance (C) (Note 3)		Employee Profit Sharing (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 8)		Compensation from Non-Subsidiary Entities (Note 9)
		The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company		From All Consolidated Entities (Note 5)		The Company	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
General Manager	SU, CHI-HU	1,932	1,932	108	108	2,224	2,224	442	0	442	0	4,706 3.35	4,706 3.35	None
Deputy General Manager	CHU, CHEN-YI	1,587	1,587	99	99	1,781	1,781	277	0	277	0	3,744 2.67	3,744 2.67	None
Chief Technology Officer	KUO,WEN-TANG (Remark 1)	1,599	1,599	101	101	1,057	1,057	277	0	277	0	3,034 2.16	3,034 2.16	None
Deputy General Manager	WANG, HU-CHO (Remark 2)	1,408	1,408	89	89	698	698	111	0	111	0	2,306 1.64	2,306 1.64	None

*Disclosures must be made for all persons in positions equivalent to general manager or assistant general manager, regardless of job title (e.g., president, chief executive officer, chief administrative officer...etc.)

Remark 1: KUO,WEN-TANG was originally the Deputy General Manager of the Manufacturing Center. On February 26, 2025, due to organizational adjustment, he was reassigned to the R&D Center to concurrently serve as Deputy General Manager of the Quality Assurance Division. On January 1, 2026, due to organizational adjustment in job allocation, he was reassigned to the R&D Center as Chief Technology Officer.

Remark 2: WANG, HU-CHO was originally the Deputy General Manager of the R&D Center concurrently serving as Deputy General Manager of the Quality Assurance Division. On February 26, 2025, due to organizational adjustment, he was reassigned as Deputy General Manager of the Manufacturing Center.

Compensation Range

Top Manager Compensation Range	Manager Name	
	The Company (Note 6)	All companies included in the financial report (Note 7) E
Below NT\$1,000,000		
NT\$1,000,000 (inclusive) – NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	WANG, HU-CHO (Note 1); KUO,WEN-TANG (Note 2)	WANG, HU-CHO (Note 1); KUO,WEN-TANG (Note 2)
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	SU, CHI-HU and CHU, CHEN-YI	SU, CHI-HU and CHU, CHEN-YI
NT\$5,000,000 (inclusive) – NT\$10,000,000 (exclusive)		
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) – NT\$100,000,000 (exclusive)		
Above NT\$100,000,000		
Total	4	4

Note 1: Name of top managers shall be listed separately with the disclosure of aggregated payments made. Directors who serve as President or Vice President shall provide information in this table and table above (1-1) or (1-2-1) and (1-2-2).

Note 2: Include compensation paid, in the current year, to top managers including salary, supplementary, and severance pays

Note 3: Include compensation paid, in the current year, to top managers, including salary, job supplementary and severance pays, reward and incentive payments, travel and special allowances, all fringe benefits, dormitories, company cars, and other supplementary goods and services. Such as housing, automobile and other transportation tools or individual expenses. Information including nature of the assets provided, the associated cost, actual or market rents, gasoline and other payments made, shall be disclosed. In addition, where a driver is provided, please provide a note explaining the relevant remuneration paid by the Company to such driver; however, such remuneration shall not be included in the remuneration. According to IFRS 2 “Share-based Payment,” salary expense recognized shall include employee stock warrant, employee new-share rights, and rights to subscribe new share issuance and cash capital increase.

Note 4: Information regarding employee profit sharing (in both shares and cash) resolved by the Board meetings in the current year to top managers shall be disclosed. If not available, an estimate calculated proportional to the actual payment last year shall be adopted with the Attached Table 1-3 filled.

Note 5: Total compensation, by category, paid to top managers (including consolidated entities in the financial reports) shall be disclosed.

Note 6: Top managers’ names shall be disclosed in the associated range based on total compensation received from the Company.

Note 7: Top managers’ names shall be disclosed in the associated range based on total compensation received from all consolidated entities in the financial reports

Note 8: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 9: a. Please clearly indicate the amount of remuneration received by the Company’s president and vice president from the reinvested companies other than the subsidiary or from the parent company in this column (if none, please fill in “none”).

b. Compensation received by top managers from non-subsidiary entities or the parent company shall be added to Compensation Range “E.” And the column name shall be changed to “Parent and All Investee Entities.”

c. The compensation include remuneration (covering business allowances) received as a director, manager of any non-subsidiary investee entity or the parent company by the President or Vice President of the Company.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

Note 1: WANG, HU-CHO was originally the Deputy General Manager of the R&D Center concurrently serving as Deputy General Manager of the Quality Assurance Division. On February 26, 2025, due to organizational adjustment, he was reassigned as Deputy General Manager of the Manufacturing Center.

Note 2: KUO,WEN-TANG was originally the Deputy General Manager of the Manufacturing Center. On February 26, 2025, due to organizational adjustment, he was reassigned to the R&D Center to concurrently serve as Deputy General Manager of the Quality Assurance Division. On January 1, 2026, due to organizational

adjustment in job allocation, he was reassigned to the R&D Center as Chief Technology Officer.

(IV) The remuneration of the top five highest-paid executives in a TWSE/TPEX listed company (including individual names and remuneration methods) (Note 1)

Unit: NT\$ thousand

Title	Name	Salary (A) (Note 2)		Severance Pay and Pensions (B)		Bonus and special allowance (C) (Note 3)		Employee Profit Sharing (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 6)		Compensation from Non-Subsidiary Entities (Note 7)
		The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company	From All Consolidated Entities (Note 5)	The Company		From All Consolidated Entities (Note 5)		The Company	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
General Manager	SU, CHI-HU	1,932	1,932	108	108	2,224	2,224	442	0	442	0	4,706 3.35	4,706 3.35	None
Deputy General Manager	CHU, CHEN-YI	1,587	1,587	99	99	1,781	1,781	277	0	277	0	3,744 2.67	3,744 2.67	None
Chief Technology Officer	WANG, HU-CHO (Remark 1)	1,599	1,599	101	101	1,057	1,057	277	0	277	0	3,034 2.16	3,034 2.16	None
Deputy General Manager	KUO,WEN-TANG (Remark 2)	1,408	1,408	89	89	698	698	111	0	111	0	2,306 1.64	2,306 1.64	None
Head of Finance Department and Head of Accounting	CHEN, HUI-JUNG	900	900	58	58	147	147	55	0	55	0	1,160 0.83	1,160 0.83	None

Note 1: The term "top five highest-paid executives" refers to managerial officers of the Company. The criteria for identifying these managerial officers are based on the regulations outlined in the letter issued by the Ministry of Finance Securities and Futures Commission on March 27, 2003 (Tai-Cai-Zheng-San-Zi No. 0920001301). Regarding the calculation and determination of the "top five highest-paid," it is based on the total amount received by executives of the Company from salaries, retirement pensions, bonuses, special allowances, and employee remuneration amounts from all companies within the consolidated financial statements (i.e., the total of A+B+C+D), and the top five highest-paid individuals are determined after sorting. If directors also serve as the aforementioned executives, they should also be listed in this table and Table (1-1).

Note 2: The salaries, position allowances, and retirement benefits of the top five highest-paid executives for the most recent fiscal year are listed.

Note 3: The various bonuses, incentives, transportation expenses, special allowances, allowances, housing, company vehicles, and other remuneration amounts received by the top five highest-paid executives for the most recent fiscal year are listed. Such as housing, automobile and other transportation tools or individual expenses. Information including nature of the assets provided, the associated cost, actual or market rents, gasoline and other payments made, shall be disclosed. Compensation to chauffeur by the Company, if available, shall be noted in the footnote but not include in the compensation to the directors. According to IFRS 2 "Share-based Payment," salary expense recognized shall include employee stock warrant, employee new-share rights, and rights to subscribe new share issuance and cash capital increase.

Note 4: Please fill in the remuneration amount to the top 5 highest-paid executives resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Attachment 1.3 should be filled out.

Note 5: The total amount of remuneration paid to the Company's top 5 highest-paid executives by all companies (including the Company) listed in the consolidated financial statements should be disclosed.

Note 6: After-tax net profit refers to the after-tax net profit of the parent company only or separate financial statements for the most recent fiscal year.

Note 7: a. Please clearly indicate the amounts of remuneration received by the top five highest-paid executives of the Company from investees other than subsidiaries or the parent company in this column (if none, please fill in "none").

b. Remuneration refers to the compensation, remuneration (including remuneration for employees, and directors), and expenses related to the performance of duties received by the top five highest-paid executives of the Company in their capacity as directors or managerial officers of investees other than subsidiaries or the parent company.

* The remuneration contents disclosed in this form are different from the concept of the income tax law. Therefore, this form is only for information disclosure and not applicable for tax usage.

Remark 1: KUO,WEN-TANG was originally the Deputy General Manager of the Manufacturing Center. On February 26, 2025, due to organizational adjustment, he was reassigned to the R&D Center to concurrently serve as Deputy General Manager of the Quality Assurance Division. On January 1, 2026, due to organizational adjustment in job allocation, he was reassigned to the R&D Center as Chief Technology Officer.

Remark 2 WANG, HU-CHO was originally the Deputy General Manager of the R&D Center concurrently serving as Deputy General Manager of the Quality Assurance Division. On February 26, 2025, due to organizational adjustment, he was reassigned as Deputy General Manager of the Manufacturing Center.

(V) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

March 31, 2026 Unit: NT\$ thousand

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	As a percentage of Net Income(%)
Managers	General Manager	SU, CHI-HU	0	442	442	0.32
	Deputy General Manager	CHU, CHEN-YI	0	277	277	0.20
	Chief Technology Officer	WANG, HU-CHO (Remark 1)	0	277	277	0.20
	Deputy General Manager	KUO, WEN-TANG (Remark 2)	0	111	111	0.08
	Head of Finance Department and Head of Accounting	CHEN, HUI-JUNG	0	55	55	0.04

Note: Distribution of 2025 employee profit sharing is approved by the Board of Directors based on March 9, 2026 in accordance with the “Employee Profit Sharing Rules and Standards” Actual distribution will be made after the resolution from the general shareholders’ meeting.

Note 1: Individual manager’s name and title shall be disclosed. Profit sharing can be disclosed in an aggregated number.

Note 2: Information regarding employee profit sharing (in both shares and cash) resolved by the Board meetings in the current year to top managers shall be disclosed. If not available, an estimate calculated proportional to the actual payment last year shall be adopted. Net income is the figure from the current year, which has adopted International Financial Reporting Standards. Net income is the figure from the unconsolidated or individual-only financial statements.

Note 3: Top managers, based on official letter Tai-Cai-Zheng-San-Zi No.0920001301 from Security and Future Bureau on March 27, 2013, include the follows:

- (1) President or equivalent positions; (2) Vice President or equivalent positions
- (3) Associated manager or equivalent positions; (4) Head of finance department
- (5) Head of accounting department; (6) Anyone who manages business or sign business contract for the company or

Note 4: Directors, President and Vice President who receives profit sharing (in both shares and cash) shall fill in this table, in addition to attached Table 1-2.

Remark 1: KUO, WEN-TANG was originally the Deputy General Manager of the Manufacturing Center. On February 26, 2025, due to organizational adjustment, he was reassigned to the R&D Center to concurrently serve as Deputy General Manager of the Quality Assurance Division. On January 1, 2026, due to organizational adjustment in job allocation, he was reassigned to the R&D Center as Chief Technology Officer.

Remark 2: WANG, HU-CHO was originally the Deputy General Manager of the R&D Center concurrently serving as Deputy General Manager of the Quality Assurance Division. On February 26, 2025, due to organizational adjustment, he was reassigned as Deputy General Manager of the Manufacturing Center.

(VI) Comparison and analysis of profit sharing paid, in two recent years, to directors and top managers as a percentage of net income from the unconsolidated or individual-only financial statements with explanation in distribution policy, standards, and structure; the procedures to make such policy; and the correlation with the operation result, as well as future risks.

1. Profit sharing paid, in two recent years, to directors and top managers as a percentage of net income from the unconsolidated or individual-only financial statements with explanation in distribution policy, standards, and structure

Title \ Item	Remuneration as a percentage of net profit after tax %			
	2025		2024	
	The Company	All companies included in the financial report	The Company	All companies included in the financial report
Director	6.98	6.98	6.64	6.64
President and Vice Presidents	9.82	9.82	9.67	9.67

2. Profit sharing policy, standards, and structure; the procedures to make such policy; and the correlation with the operation result, as well as future risks:

- (1) The Company's policies, standards, and structure for remuneration paid to directors, the procedures for determining such remuneration, and the correlation with operating performance and future risks are based on Article 28 of the Company's Articles of Incorporation (the remuneration of directors is authorized to the Board of Directors to determine, based on each director's degree of participation in the Company's operations and contribution value, with reference to industry standards domestically and internationally, and within the limits prescribed by the Company's salary regulations. Directors are also entitled to travel allowance based on actual attendance at the meeting.) In addition, Article 28 of the Company's Articles of Incorporation stipulates that directors' remuneration shall not exceed 5%, and remuneration is paid in accordance with the "Regulations Governing the Payment of Directors' Remuneration" as reviewed and approved by the Remuneration Committee and the Board of Directors. The principles for the payment of directors' remuneration are determined based on the degree of participation in the Company's operations and performance evaluation, including: degree of participation in the Company's operations (40%), election of directors and continuing education (20%), internal control (20%), and understanding of the Company and awareness of duties (20%), which are incorporated into remuneration considerations. The payment system is reviewed in a timely manner in accordance with relevant laws and regulations and the Company's operating conditions.
- (2) The remuneration for the General Manager and senior executives is based on the Company's long-term operating performance and shareholders' interests. Under the premise that managers are not incentivized to engage in activities that exceed the Company's risk tolerance for the purpose of pursuing remuneration, bonuses are determined based on corporate operating performance. The bonus takes into account the performance evaluation items of managers. Performance evaluation standards: the performance of the Company's General Manager and senior executives is primarily measured by ensuring the achievement of the Company's profit targets and the soundness of its financial structure. Each year, target values are set based on the annual budget approved by the Board of Directors, and each senior executive is responsible for execution and achievement. To encourage the General Manager and senior executives to

focus on long-term comprehensive performance and achieve sustainable operations, remuneration is linked to ESG-related performance evaluation indicators. The evaluation items include professional and management objectives (80%, such as financial performance, operating revenue, digital transformation, adherence to product schedules, and the implementation of key ESG sustainability initiatives) and management indicators (20%, such as performance in promoting improvements through functional committees, diversified business development, leadership capabilities, and talent development).

In summary, the Company's policies, standards, and structure for remuneration paid to directors, the General Manager, and senior executives, the procedures for determining such remuneration, and operating performance are positively correlated, and are disclosed in the annual report in accordance with relevant laws and regulations. Future risks are considered to be limited.

Implementation Status of 2025 Targets: The performance targets for the General Manager and senior executives include sustainability performance indicators linked to variable compensation, as follows:

Indicator Item	Weight	Explanation
Financial indicators	20%	Company's financial performance, operating revenue, budget attainment, profitability, etc.
Strategic indicators	30%	Targets developed based on mid- to long-term strategies, such as digital transformation, market expansion, technological innovation, adherence to product schedules, and responses to major issues.
Sustainability and Internal Control Indicators	30%	Committed to implementing the three major sustainability commitments, focusing on environmental, social, and corporate governance (ESG) and the establishment and implementation of internal control systems, including ethical management, information transparency, regulatory compliance, and risk management, as well as social coexistence and shared prosperity, and implementing key ESG sustainability initiatives: ① Focus on climate risks and promote concrete actions toward net-zero emissions (10%) ② Occupational safety and health management (5%) ③ Others (15%)
Management indicators	20%	Focus on the performance of the General Manager and senior executives in internal management, promoting improvements through functional committees, diversified business development, leadership capabilities, and talent development.

III. Corporate Governance

(I) Operation of the Board of Directors:

The Board of Directors held four meetings (A) in the most recent year (2025) with the attendance information as follows:

Title	Name (Note 1)	No. of meetings attended in person (B)	No. of meetings attended by proxy	Attendance rate (%) (B/A) (Note 2)	Remark
Chairman	SU, CHI-TSE	4	0	100	
Director	SU, HSIN-CHENG	3	1	75	Attended 4 meetings; attended by proxy 1 time
Director	CHU, SAN-TU	4	0	100	
Director	Rich Pool Investment Co., Ltd. Representative: HSIEH, HSIN-SHU	3	1	75	Attended 4 meetings; attended by proxy 1 time
Director	SU, CHI-HU	4	0	100	
Director	CHU, CHEN-YI	4	0	100	
Independent Director	OU, CHIN-SHYH	4	0	100	
Independent Director	CHEN, CHIH-CHANG	4	0	100	
Independent Director	LIN, CHIU-HSIEN	4	0	100	

Other information required to be disclosed:

I. If any of the following circumstances occur in the operation of the Board of Directors, the date of the Board meeting, session number, content of the proposals, opinions of all independent directors, and the Company's handling of such opinions shall be disclosed:

(I) Matters listed under Article 14-3:

Session	Date	Important Resolution
11401	2025/02/24	Discussion of the amendment to the Company's "Rules of Procedure for Board of Directors Meetings"
11401	2025/02/24	Discussion of the amendment to the Company's "Audit Committee Charter"
11401	2025/02/24	Discussion of the distribution of bonuses for 2024 to the Chairman, Chih-Tse Su
11401	2025/02/24	Discussion of the distribution of bonuses for 2024 to the General Manager, Su, Chi-Hu
11401	2025/02/24	Discussion of the distribution of directors' remuneration and employees' remuneration for 2024
11401	2025/02/24	Discussion of the appointment of the Company's certifying CPAs, and resolution of their remuneration and the pre-approved list of non-assurance services

11402	2025/05/07	Discussion of the amendments to the Company's "Corporate Governance Best Practice Principles" and "Procedures for Handling Material Inside Information"
11403	2025/08/06	Report on the change of the Company's internal audit supervisor
11404	2025/11/06	Discussion of the amendment to the "Sustainable Development Best Practice Principles"
11404	2025/11/06	Discussion of the amendments to the "Internal Control System" and the "Detailed Rules for Internal Audit Implementation"
11404	2025/11/06	Discussion of the amendments to the "Internal Control System" and the "Detailed Rules for Internal Audit Implementation"
11404	2025/11/06	Discussion of the change and remuneration proposal for the newly appointed internal audit supervisor
11404	2025/11/06	Discussion of the application for bank credit facilities

Opinions from the independent directors and the handling therefor: All proposals above were passed without demur after the inquiries by the meeting chairperson to all attending independent directors.

(II) Except the items above, other Board resolutions which the independent directors opposed to or received reserved opinions over and were recorded or had a written statement in place: None.

II. Matters regarding directors' recusal from proposals with conflict of interest: the names of the directors concerned, proposal contents, reasons for recusal, participation in discussion and voting outcomes shall be provided:

1. Discussion of the distribution of bonuses for 2024 to the Chairman, Su, Chi-Tse, and the General Manager, Su, Chi-Hu.

Voting outcome: Directors including SU,CHI-TSE, SU,CHI-HU, respectively Chairman and President of the Company, and HSIEH, HSIN-SHU, the representative of Rich Pool Investment Co., Ltd. (a controlled subsidiary) recused from the discussion to avoid conflict of interest. The proposal was passed without demur after the inquiries by the deputy chairperson, Director OU,CHIN-SHYH, to all attending independent directors and other regular directors.

2. Discussion of the distribution of bonuses for 2024 to other managerial officers of the Company.

Voting outcome: Directors CHU,SAN-TU and SU,CHI-HU recused from the discussion to avoid conflict of interest situation for holding top managing positions in the Company and being a second-degree relative to other. The proposal was passed without demur after the inquiries by the meeting chairperson to all attending independent directors and other regular directors.

III. The evaluation of the Board of Directors:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Contents
Once a year (by the end of every first	Board operation from January 1 to December 31,	Including the performance evaluation of	Internal self-evaluation of the board of	(1) Evaluation of the performance of the Board of Directors;

quarter in the following year)	2025.	the board of directors, individual board members and functional committees.	directors and self-evaluation of directors.	<p>including at least the degree of participation in the Company's operations, the quality of the Board's decision-making, the composition and structure of the Board of Directors, the election and continuing education of directors, and internal control.</p> <p>(2) Evaluation of the performance of individual directors: Including at least the understanding of the Company and responsibilities, the level of participation in the Company's operations, the directors' professionalism and continuing education, and internal control.</p> <p>(3) Functional committee performance evaluation: Involvement in business operation, understanding about functional committees, enhancement of decision making quality, committee composition and member election, and the internal control system.</p>
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The Company's Board performance evaluation for 2025 has been completed through internal assessment. The overall evaluation results indicate sound operation and have been submitted to the first Board meeting in 2026 for reporting. The results will be used as a reference for individual directors' performance, remuneration, and nomination selection, in order to enhance corporate governance effectiveness. The evaluation criteria and results of each committee are as follows:

Aspect	Distribution ratio for self-evaluation of the Board of Directors	Distribution ratio for self-evaluation of the Board of Directors	Ratio of self-evaluation of functional committees
Involvement in business operation	30%	40%	30%
Enhancement of decision-making quality of the Board of Directors (including functional committees) Decision-making quality	25%		25%
Composition and structure of the board	10%		
Election of board members and continuing knowledge development	15%	20%	
Internal controls	20%	20%	20%
Understanding of the Company operation and awareness of directors' duties		20%	
Awareness of the functional committee duties			15%
Composition and structure of the functional committee			10%
Total	100%	100%	100%

2025 Evaluation Results:

Category	Item	Assessment item	Score	Total Score	Explanation
Performance Evaluation of the Board of Directors	01	Involvement in business operation	28.25	93.22	The operation is in good condition. Based on the results of this evaluation, we will continue to strengthen it to improve the effectiveness of corporate governance.
	02	Enhancement of the quality of the board's decision-making	23.06		
	03	Composition and structure of the board	9.24		
	04	Election of board members and continuing knowledge development	14.00		
	05	Internal controls	18.67		
Board member performance evaluation	01	Understanding of the Company operation and awareness of directors' duties	18.89	95.39	The operation is in good condition. Based on the results of this evaluation, we will continue to strengthen it to improve the effectiveness of corporate governance.
	02	Involvement in business operation	37.98		
	03	Directors' professionalism and continuing knowledge development	19.26		
	04	Internal controls	19.26		

Audit Committee Performance Evaluation	01	Involvement in business operation	30.00	100	The Company's corporate governance is operating smoothly and will be continuously strengthened to maintain standards.
	02	Awareness of the audit Committee duties	15.00		
	03	Enhancement of the quality of the committee's decision-making	25.00		
	04	Composition of the Audit Committee and election of its members	10.00		
	05	Internal controls	20.00		
Performance evaluation of the Remuneration Committee	01	Involvement in business operation	30.00	100	The Company's corporate governance is operating smoothly and will be continuously strengthened to maintain standards.
	02	Duties of the Remuneration Committee	15.00		
	03	Enhancement of the quality of the remuneration committee's decision-making	25.00		
	04	Composition of the Remuneration Committee and election of its members	10.00		
	05	Internal controls	20.00		
Performance evaluation of the Sustainable Development Committee	01	Involvement in business operation	30.00	100	The Company's corporate governance is operating smoothly and will be continuously strengthened to maintain standards.
	02	Awareness of the duties of the Sustainable Development Committee	15.00		
	03	Enhancement of the quality of Sustainable Development Committee decision-making	25.00		
	04	Composition of the Sustainable Development Committee and selection of members	10.00		
	05	Internal controls	20.00		

IV. Assessment of the goals for strengthening Board functions in the current year and the most recent year (such as establishment of the Audit Committee, enhancement of information transparency, etc.) and implementation status:

The Company has established the Rules of Procedure for Board of Directors Meetings in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" for compliance. The Company's directors have completed the required training hours per year in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", and the attendance of directors in the Board of Directors' meetings and continuing education in the Market Observation Post System. The Company has disclosed the major resolutions of the Board of Directors on the website, and assigned the relevant departments to maintain and disclose the Company's financial and business information at any time. The Company has established Audit Committee and Remuneration Committee to assist the Board to manage associated matters. In addition, the "Standard Operating Procedures for Handling Directors' Requests", "Measures for Performance Evaluation of the Board of Directors" and "Corporate Governance Best-Practice Principles" were added. The Company established a corporate governance officer on March 16, 2020. Also serves as the Supervisor of the Management Department to assist the directors in carrying out their duties and strengthen the operation of the Board of Directors and corporate governance.

Note 1: Name of the corporate shareholder and the representative shall be disclosed when a director or supervisor is a legal person.

Note 2: (1) If a director resigns before the end of the year, the date of resignation shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated based on the number of Board meetings held during the director's tenure and the number of meetings actually attended.

(2) If there is a re-election of directors before the end of the year, both the former and newly appointed directors shall be listed, and it shall be indicated in the remarks column whether the director is a former, newly appointed, or re-elected director, along with the date of re-election. The actual attendance rate (%) shall be calculated based on the number of Board meetings held during the director's tenure and the number of meetings actually attended. The actual attendance rate (%) is calculated based on the number of meetings of the Board of Directors and the actual number of attendance during his/her term of office.

(II) Operations of the Audit Committee:

The number of Audit Committee meetings held in the most recent fiscal year (2025) was 4 (A);

The attendance by the independent directors was as follows:

Title	Name	Attendance in Person (B)	No. of meetings attended by proxy	Attendance Rate in Person % [B/A] (Notes 1 and 2)	Remark
Independent Director	OU, CHIN-SHYH	4	0	100	
Independent Director	CHEN, CHIH-CHANG	4	0	100	
Independent Director	LIN, CHIU-HSIEN	4	0	100	

Other information required to be disclosed:

I. In the event that the operation of the Audit Committee is under any of the following circumstances, the meeting date of the Audit Committee meeting, the session of the meeting, the proposal contents, the independent directors' dissenting opinions, qualified opinions, or major recommendations, the Audit Committee's resolutions, and the Company's Handling of opinions.

(I) Matters listed under Article 14-5:

Session	Audit Committee Meeting Date	Content of Proposals	Communication results
2025, 5th Term, 3rd Meeting	2025/02/24	<p>Proposal 1: Discussion of the appointment of the Company's certifying CPAs, and resolution of their remuneration and the pre-approved list of non-assurance services.</p> <p>Proposal 2: Approval of the 2024 Business Report and Financial Statements.</p> <p>Proposal 3: Discussion of the distribution of earnings for 2024.</p> <p>Proposal 4: Discussion of the annual (once per year) evaluation of the independence of the Company's certifying CPAs.</p> <p>Proposal 5: Discussion of the 2024 Statement of</p>	None

		Internal Control. Proposal 6: Discussion of the amendment to the Company's "Articles of Incorporation."	
2025, 5th Term, 4th Meeting	2025/05/07	Proposal 1: Review of the consolidated financial statements for the first quarter of 2025.	None
2025, 5th Term, 5th Meeting	2025/08/06	Proposal 1: Review of the consolidated financial statements for the second quarter of 2025.	None
2025, 5th Term, 6th Meeting	2025/11/06	Proposal 1: Review of the consolidated financial statements for the third quarter of 2025. Proposal 2: Review of the change of the Company's internal audit supervisor. Proposal 3: Review of the 2026 internal audit plan. Proposal 4: Review of partial amendments to the Company's "Internal Control System" and "Detailed Rules for Internal Audit Implementation." Proposal 5: Review of the proposal for establishing the "Corporate Value Enhancement Plan" for 2025.	None

Audit Committee resolutions and the Company's handling of the Audit Committee's opinions: The proposals were passed as proposed with the consent of all attending Audit Committee members after inquiry by the chairperson, and were submitted to the Board of Directors for resolution.

(II) Except the items above, other resolutions which were not approved by the committee but passed through two thirds of the Board of Directors: None.

Highlights of the Audit Committee operation:

Annual and first six months' financial reports;

Stipulation and improvement of the internal control system;

Testing of effectiveness of the internal control system;

Stipulation and improvement of the procedures of handling significant financial transactions, including asset acquisition and disposition, trading of derivative instruments, and lending or endorsement to others;

Transactions on major assets or derivative instruments;

Major lending or endorsement or guarantee to others;

Offering, issuance, or private placement of any equity-type securities;

Hiring, dismissing or compensating the independent auditor

Appointment or dismissal of heads of finance, accounting, or internal audit.

II. Matters regarding directors' recusal from proposals with conflict of interest: the names of the directors concerned, proposal contents, reasons for recusal, participation in discussion and

voting outcomes shall be provided: None.

III. Communications between the independent directors and the internal audit officer and the external auditor (shall include important matters, communication approaches and results).

1. Independent directors would inquire or notify through phone communication to the internal auditors when there were questions about copies of audit report every month.
2. Improvements on flaws and abnormalities of internal control would be compiled into reports every quarter and sent for independent directors' review.
3. Internal audit officer would attend the regular board meeting according to the regulations and present the associate briefings.
4. Chief internal audit officer would conduct no less than one private meeting every year with the independent directors to ensure full discussion on the operation and status of internal audit.
5. The commissioned external auditor would join the meeting of the Audit Committee to present review or audit results of the Company's each quarterly financial statement, as well as matters newly required by the laws. The Audit Committee and the external auditor have been communicating well and smoothly.
6. Overall, the independent directors have been able to understand the operation of the Company through the Board meetings, the Audit Committee, and regular reporting from the internal audit unit. In addition, access (including phone calls, faxes, and emails) to the external auditor has been open to the independent director for direct communication.

IV. Communication between the Company's Independent Directors and the Internal Audit Supervisor and CPAs in 2025 is as follows:

Meeting Date	Attendees	Major Communication Item	Communication results
2025/02/24 Communication Meeting	Independent Director OU,CHIN-SHYH Independent Director CHEN,CHIH-CHANG Independent Director LIN, CHIU-HSIEN Audit Officer WU, YING-JU CPA CHEN,HSIU-WEN	1. The CPAs hold the closed-door meeting with the Audit Committee. 2. Briefing of 2024 annual consolidated and unconsolidated financial statements from the external auditor to the Audit Committee. 3. Q&A between the external auditor to the Audit Committee and other meeting attendees. 4. Briefing of annual internal audit work for Q4 2024 from the internal audit officer to the Audit Committee. 4. 2024 Internal Control Statement Report.	None
2025/05/07 Communication	Independent Director OU,CHIN-SHYH	1.The CPAs presented the consolidated financial report	None

Meeting	<p>Independent Director CHEN,CHIH-CHANG</p> <p>Independent Director LIN, CHIU-HSIEN</p> <p>Audit Officer WU, YING-JU</p> <p>CPA CHEN,HSIU-WEN</p>	<p>for the Q1 2025 to the Audit Committee.</p> <p>2.Q&A between the external auditor to the Audit Committee and other meeting attendees.</p> <p>3.The internal audit supervisor reported to the Audit Committee on the execution of internal audit operations for Q1 2025.</p>	
2025/08/06 Communication Meeting	<p>Independent Director OU,CHIN-SHYH</p> <p>Independent Director CHEN,CHIH-CHANG</p> <p>Independent Director LIN, CHIU-HSIEN</p> <p>Deputy Chief Auditor TSAL,,MEI-FANG</p> <p>CPA CHEN,HSIU-WEN</p>	<p>1.The CPAs presented the consolidated financial report for the Q2 2025 to the Audit Committee.</p> <p>2.Q&A between the external auditor to the Audit Committee and other meeting attendees.</p> <p>3.The internal audit supervisor reported to the Audit Committee on the execution of internal audit operations for Q2 2025.</p>	None
2025/11/06 Communication Meeting	<p>Independent Director OU,CHIN-SHYH</p> <p>Independent Director CHEN,CHIH-CHANG</p> <p>Independent Director LIN, CHIU-HSIEN</p> <p>Audit Officer HSIEH PEI-CHUN</p> <p>CPA CHEN,HSIU-WEN</p>	<p>1.The CPAs presented the consolidated financial report for the Q3 2025 to the Audit Committee.</p> <p>2.Q&A between the external auditor to the Audit Committee and other meeting attendees.</p> <p>3.The internal audit supervisor reported to the Audit Committee on the execution of internal audit operations for Q3 2025.</p> <p>4.The internal audit supervisor reported to the Audit Committee on the internal audit plan for 2026.</p> <p>5.The CPAs hold the closed-door meeting with the Audit Committee. Communication regarding the</p>	None

		results of the 2025 internal control audit and the audit plan for the 2025 financial statements.	
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Note 1: For independent directors resigning before the end of the current year, extra notes shall be made regarding the date of resignation, attendance rate in person (%), calculated by the number of meeting convened by the Audit Committee over his/her tenure with the actual attendance number.

Note 2: All new and old independent directors and they shall be listed with notes indicating whether he/she is newly elected, as well as the associated re-election dates, when there is a re-election of independent directors before the end of the current year. Attendance Rate in Person % = the number of actual attendance / the number of the meetings convened by the Audit Committee during the tenure

Evaluation item	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
			<p>1. The Company will remind directors not to trade their shares during the 30-day closed period before the annual financial report announcement and the 15-day closed period before the quarterly financial report announcement, following confirmation of each board meeting date. The Company sent out email reminders one week before the blackout period and informed relevant insiders (directors and managers) by email that trading of the Company's issued securities was prohibited during the blackout period as a preventative measure.</p> <p>2. In 2026, an online training course and test on "Insider Trading Regulations" were conducted for current directors, managers, and employees. The course covered: the confidentiality of material information, the causes, identification, and examples of insider trading, the scope of internal material information, confidentiality procedures, disclosure requirements, and violation handling. A total of 41 people participated, accumulating 41 person-hours of training.</p> <p>3. The Company's prohibition of insider trading is disclosed on the Company website under ESG\G Corporate Governance\Promotion of Ethical Management\Prohibition of Insider Trading\Implementation of the Prohibition of Insider Trading in 2026:https://www.tsangyow.com.tw/page9_3.php?vv=eyJwZy16M30=</p>	
<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(I) Has the Board of Director established a diversity policy, set goals and implemented them accordingly?</p> <p>(II) Other than the Compensation and the Audit Committee, does the Company have plans to set up other functional committees?</p> <p>(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors,</p>	V	V	<p>III.</p> <p>(I) The election of directors of the Company adopts a candidate nomination system. In accordance with the “Rules for Election of Directors” and the “Corporate Governance Best Practice Principles,” a policy on the diversity of Board members has been established, with specific management objectives formulated and implemented in accordance with such policy. Relevant information is disclosed on the Company’s website. Please refer to pages 7 to 10 of the annual report under “Disclosure of Directors’ Professional Qualifications and Independence of Independent Directors” and “Board Diversity and Independence.”</p> <p>(II) In addition to establishing a Remuneration Committee and an Audit Committee as required by law, the Company has also established a Sustainable Development Committee.</p> <p>(III) The Company completed the establishment of “Rules for Performance Evaluation of Board of Directors” on</p>	No difference

Evaluation item	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
<p>implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the Board of Directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p> <p>(IV) Does the Company regularly evaluate its external auditors' independence?</p>	V		<p>November 11, 2019, which has been carried out the evaluation accordingly.</p> <ol style="list-style-type: none"> 1. Evaluation cycle and period: The internal or external performance evaluation shall be completed by the end of the first year in the following year. 2. Evaluation targets and coverage: The evaluation shall cover the entire board, individual director and each functional committee. 3. The evaluation items for the board cover, without limitation to, the following five aspects: <ol style="list-style-type: none"> (1) Degree of participation in the Company's operations. (2) Enhancement of the quality of the board's decision-making. (3) Composition and structure of the board. (4) Election of board members and continuing knowledge development. (5) Internal control. 4. The evaluation items for individual directors cover, without limitation to, the following four aspects: <ol style="list-style-type: none"> (1) Understanding of the Company operation and awareness of directors' duties. (2) Degree of participation in the Company's operations. (3) Directors' professionalism and continuing knowledge development. (4) Internal control. 5. The evaluation items for the functional committees cover, without limitation to, the following five aspects: <ol style="list-style-type: none"> (1) Degree of participation in the Company's operations. (2) Awareness of the committee duties (3) Enhancement of the quality of the committee's decision-making (4) Composition and structure of the committee (5) Internal control. <p>The performance evaluation results for 2025 were submitted to the Board of Directors on March 9, 2026.</p> <p>(IV) The Company conducts a regular annual evaluation of the independence and competence of its certifying CPAs based on the CPA independence assessment form (please refer to page 35 of the Annual Report, Note 1), the independence statement issued by the accounting firm, and the Audit Quality Indicators (AQIs) report. Upon review, the CPAs do not serve as directors of the Company, are not shareholders or interested parties of the Company, and do not receive any remuneration from the Company, and therefore meet the Company's independence assessment criteria. In addition, based on the Audit Quality Indicators (AQIs) information (including</p>	

Evaluation item	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
			five major dimensions—professionalism, quality control, independence, supervision, and innovation—and 13 indicators), both the certifying CPAs and the accounting firm demonstrate audit experience and training hours that are above industry benchmarks. Over the past three years, digital audit tools have also been continuously adopted to enhance audit quality. The evaluation results for the most recent fiscal year were submitted to the Audit Committee and the Board of Directors on March 9, 2026 for review and approval. The results indicate that the CPAs meet the Company’s independence and competence assessment criteria and are fully qualified to serve as the Company’s certifying CPAs.	
IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsible corporate governance practices (including but not limited to providing information necessary for directors to perform their duties, aiding directors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		<p>IV.</p> <p>(I) It was approved by the Board of Directors on August 29, 2023 that CHENG,LI-CHUN of the Operation and Management Department of the Company was appointed to concurrently serve as the Corporate Governance Officer, in order to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors. Manager Li-Chun Cheng has more than three years of experience in accounting and finance in publicly listed companies, and meets the qualification requirements stipulated by relevant laws and regulations.</p> <p>(II) The main responsibilities of the Corporate Governance Officer are as follows:</p> <ol style="list-style-type: none"> 1. Carry out matters related to Board meetings and shareholders’ meetings in accordance with the laws and regulations. 2. Record minutes of board meetings and shareholders’ meetings. 3. Assist in onboarding and continuing education of the directors. 4. Provide information required by the directors for business execution. 5. Assist in directors’ compliance with laws. 6. Matters regarding to law compliance of the independent directors’ qualification at nomination, election and onboarding shall be reported to the Board. 7. Carries out change of directors. 8. Other matters stipulated in the Company’s Article of Incorporation or agreements. <p>(III) 2025 Implementation status:</p> <ol style="list-style-type: none"> 1. Assisted independent and general directors in performance of duties, receiving information for reviewing financial statements, and making arrangement for knowledge development. 2. Assisted in law compliance for resolution procedures conducted in Board meetings and shareholders’ 	No difference

Evaluation item	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
			<p>meetings.</p> <p>3. Renewal of liability insurance for directors, supervisors and important employees for 2025, followed by reporting to the Board meeting.</p> <p>4. Planning of Board of Directors’ working calendar.</p> <p>5. Scheduled Board meetings and issued notices to the directors seven days before the meeting. Convened meeting with needed information and reminders of recusals when conflict of interests. Completed meeting minutes in 20 days after the meeting.</p> <p>6. A general shareholders’ meeting was convened in May 2025. All meeting registration, making of meeting notice, shareholders’ meeting handbook and meeting minutes were conducted according to the regulation requirements.</p> <p>(IV) Total continuing learning hours taken by the Corporate Governance Officer in 2025 was 15 hours. The associated record was filed to Market Observation Post System. Please refer to page 35 of the annual report for the complete listing of the courses taken (Note 2).</p>	
V. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, and so on) and created a Stakeholders Section on its Company website? Does the Company respond to stakeholders’ questions on corporate responsibilities?	V		<p>V.</p> <p>(I) The Company has established a spokesperson and deputy spokesperson to serve as communication channels with external parties. All stakeholders can access financial and stock information on Market Observation Post System and the Company’s website. An investor relation office is established to assist investor communication.</p> <p>(II) The Company has established an electronic supply chain management system to monitor transactions with suppliers in real time. A supplier-dedicated channel is available to ensure direct and open communication.</p> <p>(III) The Company’s website has established a “Stakeholder Section” to provide stakeholders with communication channels with the Company.</p> <p>(IV) In order to strengthen the emphasis on stakeholders’ rights and interests, the Company identifies stakeholders and collects and reviews issues of concern to them. The Company has established a Stakeholder Section on its website to understand stakeholders’ expectations and needs through appropriate communication methods. The communication status with various categories of stakeholders in 2025 has been reported to the Board of Directors on March 9, 2026.</p> <p>(V) Issues of concern to various categories of stakeholders in 2025 have been disclosed on the Company’s website.</p>	No difference

Evaluation item	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
VI. Has the Company appointed a professional registrar for its Shareholders’ meetings?	V		The Company has commissioned its stock affair agency, KGI Securities, to handle the matters.	No difference
VII. Information Disclosure (I) Has the Company set up a website to disclose financial and corporate governance information?	V		VII. (I) The Company’s website has established “Stakeholder” and “ESG” sections to disclose financial, business, and corporate governance information, and regularly and from time to time reports various financial and business information on the “Market Observation Post System” in accordance with regulations. 1. Website for the Company’s Stakeholder Area https://www.tsangyow.com.tw/page7_1.php?vv=eyJwZy16MSwicGdjIjoxfQ== 2. Website for the Company’s “ESG” section https://www.tsangyow.com.tw/page9_1.php?vv=eyJwZy16MSwicGdjIjoxfQ==	No difference
(II) Does the Company adopt other ways of information disclosure (such as setting up an English website, appointing a dedicated person for the collection and disclosure of the Company’s information, implementing the spokesperson system and placing on the Company’s website the process of institutional investors’ conference)?	V		(II) To improve information transparency, a sound spokesperson system has been established, together with the applying public information system, to help shareholders and stakeholders fully understand the financial status and corporate governance operation of the Company.	
(III) Does the Company announce and register the annual financial reports within two month upon the end of a financial year, and announce and register the first, second and third quarter financial reports and the monthly operations before the required due date?	V		(III) All filing of quarterly financial statements and monthly operation are filed according to the deadlines stipulated in “Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds.” The annual financial report has not yet been published and declared within two months after the end of the fiscal year.	
VIII. Does the Company have other important information to help understand the operation of corporate governance (including but not limited to employee rights and interest, employee care, investor relations, supplier relations, rights of interest parties, the status of directors’ continuing education, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the Company’s purchase of liability insurance policy for directors and supervisors)?	V		VIII. (I) Employee Rights and Interests: The Company complies with relevant labor laws and regulations, and details such compliance in the “Work Rules” and related management regulations. Various employee rights and interests and retirement pension systems are implemented, and an Employee Welfare Committee has been established to provide multiple welfare measures. Please refer to Chapter IV “Labor-Management Relations” of the Company’s annual report. (II) Employee Care: 1. The Company provides employee travel subsidies, regular health check-ups, external training subsidies, employee remuneration, bonuses for the three major festivals, and year-end bonuses, and safeguards employees’ legal rights	No difference

Evaluation item	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
			<p>and interests in accordance with the Labor Standards Act and related regulations. Other than holding labor relation meetings and providing employee complaining channels to ensure communication, various measures have been stipulated to state clearly employee rights, obligations and welfare items to maintain employee rights.</p> <p>2. A employee app is created to consolidate information on all aid and welfare programs available, including newsletters from the Company and the employee welfare committee, social welfare resources, psychological counseling, retirement/wealth management/insurance information, health and healthcare information, occupation safety, and designated shops to create diversified choices of welfares and to strengthen internal information.</p> <p>(III) Investor Relations: The Company fully discloses information through the Market Observation Post System and the Company’s website to enable investors to understand the Company’s operating status, and communicates with investors through shareholders’ meetings, investor conferences, and the spokesperson.</p> <p>(IV)Supplier Relationship: 1. The Company has established a “Supply Chain Management” section on its website and formulated a “Supplier Handbook” to ensure that suppliers meet the Company’s requirements for delivery schedules, quality, and pricing, and to regulate suppliers’ responsible procurement conduct, jointly implementing ESG. The Company also conducts regular supplier audits to confirm supply quality and compliance with corporate social responsibility. 2. In terms of occupational safety and health, suppliers undertaking contracted projects are included as part of the management system, and a contractor safety and health management system is planned and implemented. In addition to implementing entry controls and construction permits for contractors, the Company actively assists contractors in implementing autonomous safety and health management and education and training, thereby fulfilling corporate social responsibility in line with safe employment principles.</p> <p>(V) Rights of Stakeholders: The Company has established various communication channels of soundness and openness to uphold rights of stakeholders. In addition, all matters will be handled based on principles of integrity and accountabilities to fulfill social</p>	

Evaluation item	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
			<p>responsibilities.</p> <p>(VI) Continuing Education of Directors: The continuing education undertaken by the Company’s directors in 2025 complies with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies,” and relevant training content has been disclosed on the Market Observation Post System.</p> <p>(VII) Risk Management Policy and Measurement Standards: Manners regarding major operation policies, investment undertaking, endorsement, guarantee, and loan making and bank financing shall receive the Board’s approvals, followed by audit, supervision and management from the relevant audit and risk management units. Please refer to “Risk Events Analysis and Evaluation” for details.</p> <p>(VIII) Implementation of Customer Policies: 1.The Company has set up dedicated units to provide customers question answering and to maintain direct and open communication. 2. To provide nearby services and shorten delivery times, there are storage warehouses in America and Europe. 3. Customer satisfaction survey is conducted every year.</p> <p>(9) Director Liability Insurance Purchase: The Company has purchased directors’ and officers’ liability insurance with a coverage amount of USD 3 million on April 1, 2026, with the insurance period from April 1, 2026 to April 1, 2027, and reported to the Board of Directors on March 9, 2026.</p> <p>(X) Independent directors strengthen corporate operations and supervision; therefore, the Company reports its financial and business status and the execution of major operating plans to independent directors at Board meetings, and they provide recommendations to management based on their experience and professional expertise.</p> <p>(XI) Regulations Governing Material Financial and Business Transactions with Related Parties: The Company has established the “Operational Procedures for Financial and Business Matters Between Related Parties,” which include management procedures for purchase and sales transactions and the acquisition or disposal of assets, and were approved by the Board of Directors on May 7, 2024. Where the Company’s transactions with related parties, including purchase and sales of goods, provision of labor or technical services,</p>	

Evaluation item	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
			<p>or acquisition or disposal of assets, are expected to reach 5% of the Company’s most recent consolidated total assets or net consolidated operating revenue for the most recent year, except where the Regulations Governing the Acquisition and Disposal of Assets by Public Companies apply, or where transactions are conducted between the Company and its parent company or subsidiaries or among subsidiaries, all material transaction information shall be submitted to the Board of Directors for approval before execution and reported to the most recent shareholders’ meeting. In 2025, the Company did not have any transactions with related parties (other than transactions with subsidiaries or among subsidiaries) or acquisition or disposal of assets that met the criteria for material transactions; therefore, no submission to the Board of Directors or shareholders’ meeting was required.</p> <p>(XII) Implementation Status of the Intellectual Property Management Plan:</p> <ol style="list-style-type: none"> To protect research and development resources, maintain innovation capabilities, strengthen competitive advantages, achieve operational objectives, enhance corporate governance, and ensure sustainable operations, the Company has established an intellectual property management plan and related procedures, including the protection and management of patents, trademarks, copyrights, and trade secrets. The Company continues to promote intellectual property management and, through advocacy and education and training, establishes and cultivates employees’ awareness of intellectual property protection. The Company regularly reports the implementation status of intellectual property management, as well as the list of intellectual property acquisitions and related achievements, to the Board of Directors in the fourth quarter of each year. The most recent report was submitted on November 6, 2025. The relevant information is also disclosed on the Company’s official website at: ESG \ Corporate Governance \ Intellectual Property Rights Management \ Intellectual Property Management Plan and Implementation Status: https://www.tsangyow.com.tw/page9_3.php?vv=eyJwZyI6M30= 	

Evaluation item	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	

IX. Please explain the improvement of the corporate governance evaluation results according to the finding issued by the Corporate Governance Center of the Taiwan Stock Exchange for the most recent year and put forward the priorities and measures for those that have not been improved. (Not applicable as the Company is not listed for evaluation):

The Company’s improvements under the 12th (2025) Corporate Governance Evaluation are as follows:

Item	Evaluation Indicator	Improvement Status and Explanation
1.1	Whether the Company reports directors’ remuneration at the annual shareholders’ meeting, including remuneration policies, individual remuneration details, and amounts?	Disclosed on MOPS
1.15	Has the Company established and disclosed on its website internal regulations prohibiting directors or employees from utilizing non-public information to buy and sell securities, including (but not limited to) a prohibition on directors trading their stocks in the 30 days before the annual financial report was announced and in the 15 days before the quarterly financial report was announced, and has the Company explained how these regulations have been implemented?	Disclosed on the Company’s website
2.17	Whether the Company’s Board of Directors regularly (at least once a year) evaluates the independence and competence of certifying CPAs with reference to Audit Quality Indicators (AQIs), and fully discloses the evaluation procedures in the annual report?	Disclosed in the Company’s annual report
4.4	Whether the Company’s sustainability report discloses relevant ESG information with reference to SASB standards?	Disclosed on the Company’s website and the Market Observation Post System
4.7	Whether the Company uploads the English version of the sustainability report to the Market Observation Post System and the Company’s website?	Disclosed on the Company’s website and the Market Observation Post System
4.11	Whether the Company discloses water usage and total waste weight for the past two years? 【If water usage or total waste weight for the past two years has been externally verified, one additional point will be added.】	Disclosed on the Company’s website, annual report, and the Market Observation Post System
4.24	Whether the Company’s sustainability report has been submitted to the Board of Directors for approval?	Disclosed on MOPS

Each year, the Company reviews the most recent corporate governance evaluation results and the latest published corporate governance evaluation indicators, examines each indicator that has not yet met the scoring criteria, and strengthens improvements for those items not yet in compliance.

X. Succession Planning for the Board of Directors and Key Management

The structure of the Company’s Board of Directors shall be determined based on the scale of the Company’s operations and development, as well as the shareholding structure of major shareholders, taking into consideration practical operational needs. To establish a sound governance system, the Company appointed a Corporate Governance Officer in 2020 to assist in the nomination of directors and independent director candidates and to strengthen the functions of the Board of Directors.

In accordance with the “Corporate Governance Best Practice Principles,” the Company implements a diversity policy for Board members. The current Board consists of 9 directors (including 3 independent directors), possessing diverse and complementary industry experience as well as professional expertise in management, finance, and accounting. Among them, 2 directors concurrently serve as senior management of the Company. Going forward, the composition and background of Board members will continue to follow the current structure. The annual “Board performance evaluation results” will be provided to the Board of Directors as a reference for director nomination and re-appointment.

The succession plan will be formulated all-round based on “talent cultivation and allocation, workforce development, and win-win creation,” as well as linkage to the Company’s strategy, management.

1. Board member election and operation :

Members are elected based on their integrity, management knowledge and professional abilities including backgrounds from operation management, finance and accounting, and law; special skills; and industrial

Evaluation item	Operation status (Note)			Difference from “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
<p>experience. In light of the continuing education requirements stipulated by the competent authority for directors and supervisors (including independent directors) of listed and OTC companies—12 hours for first-time appointees and 6 hours for re-appointed directors—the Company has established mechanisms and channels to facilitate continuing education and access to relevant information, enabling them to maintain core values, professional advantages, and capabilities, and thereby effectively implement the corporate governance system. In 2025, a total of 9 directors (including 3 independent directors) reported a cumulative 66 hours of continuing education, meeting the regulatory requirement of 6 hours per person for re-appointed directors.</p> <p>2. Succession planning for key management: Senior executives are cultivated to enter the Board of Directors, enabling them to become familiar with Board operations and the functions of various departments. The succession pipeline is required to possess the knowledge, skills, and competencies necessary for performing duties, outstanding execution capability, and values and personal integrity characterized by honesty and uprightiness. Through continuous mechanisms such as rotation across different functional departments and overseas assignments, leadership mindset and learning capabilities are developed, and outstanding operational performance is demonstrated, forming a comprehensive development framework. Currently, the Group has multiple senior management professionals who are qualified to be selected as future directors. In addition to considering diversity, the number of directors concurrently serving as Company managers will not exceed one-third of the Board seats, and gender equality will be emphasized. Training programs are strengthened to enhance business and operational management capabilities, including strategic planning, multinational operations, global marketing, innovation management, and the new economy, in order to cultivate the management talent required for the future. In 2025, the total training hours for mid-level management amounted to 819 hours, and senior executives completed a total of 32 hours of consensus-building training programs.</p>				

Note: No matter whether "Yes" or "No" is selected for the implementation, it shall be explained in the summary description column.

Note 1. Evaluation criteria for the independence of external auditor

Item	Result
I. Financial Interest Category	
1. Does the auditor have a “direct financial interest relationship” with the Company?	No
2. Does the auditor have a “significant indirect financial interest relationship” with the Company?	No
3. Does the auditor have a “significant financial interest relationship” with any other entities where the Company has a controlling power?	No
II. Employment Relationship Category	
1. Has the external auditor held any positions in the Company as a director, supervisor, or manager, or are they capable of impacting the independent audit work at present or in the past two years?	No
1. Does the external auditor hold any positions in the Company as a director, supervisor, or manager, or capable of impacting the independent audit work?	No
3. Was the external auditor, during the audit period, holding any positions in the Company as a director, supervisor, or manager, or capable of impacting the independent audit work?	No
4. Is the external auditor, in a certain future period, going to hold any positions in the Company as a director, supervisor, or manager, or capable of affecting the independent audit work?	No
5. Does the external auditor hold any positions as a director or supervisor in any other entities where the Company has a controlling power?	No
6. Does the auditor provide services equivalent to duties of director, supervisor, or top manager?	No
7. Is the auditor hired by the Company for regular work that receives fixed compensation?	No
III. Short-Term Dispatch Worker Service:	
1. Does the auditor dispatch employees from his/her firm to assist the Company in decision-making, contract approval or signing, financial paper management.	No
IV. Managing Personnel Recruitment:	

Item	Result
1.Does the auditor help the Company recruit management positions that can directly and significantly affect the audit work of the Company?	No
V. Service Continuation:	
1.Whether the auditor has been continuously commissioned as the Company’s independent auditor for seven years?	No
Conclusion of Independence Evaluation: Through the Company’s internal review, it is concluded that there is no event that might affect the independence of the auditor.	

Note 2. Continuing Education of Corporate Governance Officer in 2025:

Class Date	Organized By	Class Title	Number of Continuing Education Hours	Total Class Hour
2025/07/09	Taiwan Exchange	2025 Cathay Pacific Sustainable Finance and Climate Change Summit	6Hr	15hr
2025/07/11	Taiwan Institute of Directors	Multi-generational Talent Management and the Practice of IFRS S1/S2	6Hr	
2025/10/03	Securities and Futures Institute, R.O.C.	Seminar on Prevention of Insider Trading in 2025	3Hr	

(4)Composition and operation of theRemunerationCommittee:

(1) Information of the Remuneration Committee Members

March 31, 2026

Identity (Note 1)	Conditions	Professional qualification and experience (Note 2)	Independence Status (Note 3)	Number of public companies where the member concurrently serves as a member of remuneration committee
	Name			
Independent Director (Convener)	OU,CHIN-SHYH	Please refer to Page 7–10 of the annual book for disclosure on professional knowledge of directors and independence of independent directors		0
Independent Director	CHEN,CHIH-CHANG			3
Independent Director	LIN, CHIU-HSIEN			0

Note 1: Please specify in detail within the table the relevant years of work experience, professional qualifications and experience, and independence status of each member of the Remuneration Committee. If the member is an independent director, it may be noted to refer to Table 1 “Directors’ Information (I)” on page OO for related content. The category of status shall indicate whether the member is an independent director or otherwise (if the member is the convener, this shall be additionally indicated).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of each member of the Remuneration Committee.

Note 3: Independence status: Describe the circumstances under which the members of the Remuneration Committee meet the independence requirements, including but not limited to whether the member, his or her spouse, or relatives within the second degree of kinship serve as directors or employees of the Company or its affiliated enterprises; the number and percentage of the Company’s shares held by the member, his or her spouse, or relatives within the second degree of kinship (or held through nominee accounts); whether the

member, his or her spouse, or relatives within the second degree of kinship serve as directors or employees of companies having specific relationships with the Company (as defined in Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing the Establishment and Exercise of Powers of the Remuneration Committee of a Publicly Listed Company or an OTC-listed Company); and the amount of remuneration received for providing business, legal, financial, or accounting services to the Company or its affiliated enterprises in the most recent two years.

Note 4: For disclosure format, please refer to the best practice examples published on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(2) Operations of the Remuneration Committee

I. There are a total of 13 members in the Remuneration Committee.

II. Annual work focus: Regularly review remuneration policies, systems, standards, and structure based on salary survey information (participating in the 104 job bank salary survey annually) and market remuneration levels. Additionally, regularly review the remuneration of directors and managers through annual performance evaluations, for the Board of Directors' reference..

III. Current Term of Office of the Committee: From May 24, 2024 to May 23, 2027. In the most recent year (2025), the Remuneration Committee convened 2 meetings. The qualifications and attendance of members are as follows:

Title	Name	Attendance in Person (B)	No. of meetings attended by proxy	Attendance rate (%) (B/A) (Note)	Remark
Convener	OU,CHIN-SHYH	2	0	100	Re-elected on May 24, 2024
Member	CHEN,CHIH-CHANG	2	0	100	Re-elected on May 24, 2024
Member	LIN, CHIU-HSIEN	2	0	100	Re-elected on May 24, 2024

Other information required to be disclosed:

(I) Duties of the Remuneration Committee:

1. The committee member shall execute the duties based on the following principles:
 - (1) Performance evaluation of directors, supervisors and top managers and their compensations shall refer to industrial practice with the correlation among individual performance, the operation result, as well as future risks.
 - (2) Remuneration shall not incentivize directors or managerial officers to engage in activities that exceed the Company's risk tolerance.
 - (3) The nature of industry and business of the Company shall be taken into consideration when deciding the portion of bonus for short-term bonus and the timing for paying variable compensation for directors and top managers.
2. The committee shall convene no less than two meetings every year, or ad hoc meetings when necessary, to assist in the Board's decision-making.
3. The Committee shall disclose the information regarding regular reviews of performance evaluation of directors, supervisors, and top manager; and the remuneration policies, procedures, standards, and structure.

II. When the Board disagree or modify recommendations from the Remuneration

<p>Committee, the meeting details, including date, session number, proposal contents, and board resolutions with the handling of opinions from the committee by the Company therefor (for example, the board resolves a compensation higher than the committee’s recommendation) shall be stated: None</p> <p>III. For a committee resolution which some members of the committee opposed to or received reserved opinions over and were recorded or had a written statement in place, the meeting details, including date, session number, proposal contents, all member opinions with the handling therefor shall be stated: None</p> <p>IV. Proposals made by the Remuneration Committee and the resolutions therefor, and the handling of members’ opinions by the Company in the recent year:</p>			
Remuneration Committee Meeting Session/Date	Content of Proposals	Resolution	The Company’s Reactions to the Members’ Opinions
2025, 6th Term, 1st Meeting 2025/02/24	<p>Proposal 1: Review of the actual distribution of bonuses to managers for 2024.</p> <p>Proposal 2: Review of the distribution of directors’ remuneration and employees’ remuneration for 2024.</p> <p>Proposal 3: Review of the payment of directors’ remuneration for 2024.</p> <p>Proposal 4: Review of the Board performance evaluation for 2024.</p> <p>Proposal 5: Review of the amendment to the “Rules for Performance Evaluation of the Board of Directors.”</p> <p>Proposal 6: Review of the definition and scope of grassroots employees.</p> <p>Proposal 7: Review of the amendment to the Company’s “Articles of Incorporation.”</p>	All proposals were passed without demur after the inquiries by the meeting chairperson to all attending committee members.	All proposals were approved by the attending Board members.
2025, 6th Term, 2nd Meeting 2025/11/06	<p>Proposal 1: Review of the amendment to the “Regulations for the Distribution of Employee Remuneration.”</p> <p>Proposal 2: Review of the amendment to the “Performance Evaluation and Remuneration Regulations for Senior Executives.”</p> <p>Proposal 3: Review of the remuneration for the Chief Technology Officer.</p> <p>Proposal 4: Review of the remuneration for the Deputy General Manager of the Manufacturing</p>	All proposals were passed without demur after the inquiries by the meeting chairperson to all attending committee members.	All proposals were approved by the attending Board members.

	Center. Proposal 5: Review of the remuneration for the newly appointed internal audit supervisor. Proposal 6: Review of the performance bonus for senior executives for 2025. Proposal 7: Review of the implementation status of remuneration items for directors and managers.		
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- Note: (1) For committee members resigning before the end of the current year, extra notes shall be made regarding the date of resignation, attendance rate in person (%), calculated by the number of meeting convened by the Remuneration Committee over his/her tenure with the actual attendance number.
- (2) All new and old members shall be listed with notes indicating whether he/she is newly elected, as well as the associated re-election dates, when there is a re-election of the Remuneration Committee members before the end of the current year. Attendance Rate in Person % = the number of actual attendance / the number of the meetings convened by the Remuneration Committee during the tenure

(V) Status of the promotion of sustainable development, differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons therefor:

Promoted Item	Implementation Status (Note 1)			Difference from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Explanation	
I. Has the Company formulated a governance structure for promoting matters regarding sustainable development with the establishment of a dedicated working unit which is authorized by the Board of Directors to be handled by the senior management and reported to the Board of Directors?	V		<p>I.</p> <p>(I) The Company established the “Sustainable Development Committee” on August 7, 2024, with three independent directors serving as committee members, and the Committee reports directly to the Board of Directors. Under the Committee, a “Sustainability Promotion Committee” composed of heads of various departments has been established, with the General Manager serving as the Convener. Together with the three working groups of “Environmental Sustainability” (E), “Social Sustainability” (S), and “Corporate Governance” (G), it is jointly responsible for proposing and implementing the Company’s sustainable development policies, goals, strategies, systems or related management guidelines, and specific promotion plans, which are then submitted to the “Sustainable Development Committee” for review. The “Sustainable Development Committee” convenes at least once a year to track the implementation and review the effectiveness of the Company’s specific sustainable development measures, revise strategic objectives and relevant rules and regulations, and report the consolidated results to the Board of Directors at least once a year.</p> <p>(II) The Board of Directors’ supervision of sustainable development is as follows:</p> <ol style="list-style-type: none"> 1. The Company’s sustainable development policy for 2026 was reviewed and approved by the Company’s Sustainable Development Committee on November 6, 2025, and subsequently submitted to the Board of Directors for resolution. 2. On August 6, 2025 and November 6, 2025, the Company’s Board of Directors approved the 2025 sustainable development implementation matters submitted by the Sustainable Development Committee, including: the amendment to the 2026 sustainable development policy, the formulation of the 2025 sustainable development strategy and short-, medium-, and long-term plans and targets, the 2025 sustainable development implementation status and effectiveness, the completion and finalization of the 2024 sustainability report, and the 2025 risk management implementation status. 3. The Company’s Board of Directors regularly hears reports from the management team each year. Management must propose Company strategies to the Board of Directors, and the Board must assess the likelihood of success of such strategies, regularly review the progress of the strategies, and, when necessary, urge the management team to make adjustments. <p>(III) The Company’s sustainability governance structure is disclosed on the Company’s official website under ESG \ Sustainable Operations \ Sustainability Governance \ Sustainability Development Committee, including its composition, responsibilities, and operational status for the current year: https://www.tsangyow.com.tw/page9_1.php?vv=eyJwZy16MX0=</p>	No difference
II. Does the Company, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy? (Note 2)	V		<p>II.</p> <p>(I) With reference to the “Risk Management Best Practice Principles for TWSE/TPEX Listed Companies,” the Company has established the “Risk Management Policy and Procedures,” which were implemented after discussion by the Board of Directors and serve as the guiding principles for the Company’s risk management.</p> <p>(II) The boundary of the 2024 risk assessment covered all of the Company’s operating locations, including Zhongshan Plant, Chenggong Plant, Zhongshan Plant 2, and Zhongshan Plant 3.</p> <p>(III) 1. The Company’s risk management process includes procedures such as risk identification, risk analysis and assessment, risk control and treatment, risk monitoring and review, and risk information communication and reporting. The main sources and categories of risk include six major dimensions: strategic risk, operational risk, financial risk, information risk, hazard risk, and compliance risk. At least once a year, the risk management team conducts a comprehensive enterprise-level and operational-level risk identification of the principal risk sources and categories based on the principle of materiality, the Company’s strategic objectives, and the Risk Management Policy and Procedures, and reports to the Sustainable Development Committee.</p> <ol style="list-style-type: none"> 2. The Company’s 2025 risk assessment was conducted in accordance with “GP-102 Risk Management Policy and Procedures” and “GP-100 Management System Planning Management Process.” Through meetings and analysis of internal and external issues of concern to stakeholders of various business units, a total of 44 risk issues were identified. After assessment in accordance with the risk evaluation criteria, 8 medium-risk issues and 36 low-risk issues were identified. For the 8 medium-risk issues, corresponding risk response measures have been developed and linked to the Company’s annual operating plan in order to effectively control the risks arising from various business activities within an acceptable range. The progress of the annual plan is reviewed and tracked quarterly in management meetings to ensure the specific implementation of the plan. 3. The implementation status of risk management for 2025 was reviewed by the Sustainable Development Committee on November 6, 2025, submitted to and approved by the Board of Directors, and disclosed on the Company’s official website. 	No difference
III. Environmental Issues (I) Has the Company established an appropriate environmental management system according to its industrial characteristics?	V		<p>III.</p> <p>(I) The Company has formulated environmental, safety, and health management measures in accordance with environmental protection laws and regulations promulgated by the Ministry of Environment (including the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, Toxic and Concerned Chemical Substances Control Act, Noise Control Act, Soil and Groundwater Pollution Remediation Act, Drinking Water Management Act, Energy Management Act, and Climate Change Response Act, etc.), and ensures the complete operation and long-term effectiveness of the environmental management system through the establishment of management systems.</p> <p>To ensure compliance with international environmental management standards and</p>	No difference

Promoted Item	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"																				
	Yes	No	Explanation																					
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with a low environmental impact?	V		<p>continuously optimize environmental protection measures, the Company has established a comprehensive environmental management system and continuously improves environmental performance under the PDCA model. The environmental management system promoted in 2025 mainly includes the following aspects:</p> <ol style="list-style-type: none"> 1. Pollution prevention: Actively establish and upgrade pollution prevention equipment, combined with abnormal operation monitoring systems and operating procedures, to reduce the environmental impact of abnormal incidents. 2. Energy and resource conservation: Introduce the Tsang Yow Environmental Control Management System to monitor various items and promote company-wide energy management. 3. Waste management: Implement waste sorting and waste management, and reduce the generation of waste such as paper, waste oil mixtures, and inorganic sludge, while implementing resource recycling, reuse, and carbon reduction measures. 4. Chemical management: Assess the potential exposure level of chemicals and adopt graded management according to risk levels; if there are changes in chemical types, operating procedures, or process conditions, exposure assessments shall be re-conducted before the change or within three months after the change. 5. Overall, the Company's environmental management system was effectively implemented in 2025. Energy and resource conservation reached 161,000 kWh, achieving the Company-wide average annual electricity-saving target for 2025 of >1%; in terms of pollution prevention, 1 equipment upgrade was implemented and abnormal monitoring mechanisms were strengthened, with 0 abnormal incidents throughout the year; waste management results were significant, with a classification rate of 100%, and total annual paper usage decreased by 30,957 sheets compared with 2024; waste oil mixtures decreased by 260 tons and inorganic sludge waste decreased by 2.62 tons compared with the previous year; waste plastic mixtures (D-0299) were sorted, recycled, and converted into SRF (solid recovered fuel), and the total weight of resource recycling, reuse, and waste reduction performance in 2025 was 3.67T; in terms of chemical management, exposure assessments for all chemicals have been completed, and graded management systems have been planned according to risk levels to avoid health hazards to workers. 6. To ensure the effective implementation of the system, the Company also completed 2 internal audits in 2025 with no major deficiencies, and conducted 9 environmental education and training sessions to enhance employees' environmental awareness and participation. 7. Shortly after ISO 14001:2015 was officially launched on September 15, 2015, the Company began education and training and successfully passed BSI external certification in 2018, becoming one of the companies in the automotive parts manufacturing industry to obtain ISO 14001:2015 certification. The validity period of the latest certificate is from December 8, 2025 to December 7, 2027, in compliance with the latest environmental management system standards. <p>(II) The Company regards the effective management of the use of various forms of energy and resources in the production process, as well as waste, air pollution, wastewater, and sewage treatment and other environmental impact items, as a demonstration of its commitment to fulfilling social responsibility. To maintain the environmental quality of neighboring areas and protect biodiversity and ecosystems, the Company is committed, in the spirit of pollution prevention and continuous improvement, to making good use of and cherishing limited resources to improve the environment, contribute to creating a better green environment and the sustainable use of resources, and enhance the utilization efficiency of various resources through the following specific measures:</p> <ol style="list-style-type: none"> 1. Production technique upgrading: Cutting down machine and labor hours to lower the production costs, as well as bringing up the yield rate and to conserve energy. <table border="1" data-bbox="667 1467 1230 1686"> <thead> <tr> <th>Year</th> <th>112</th> <th>113</th> <th>114</th> </tr> </thead> <tbody> <tr> <td>Machine-hour improvement for energy savings</td> <td>46,269</td> <td>49,683</td> <td>5,854</td> </tr> <tr> <td>Remark</td> <td colspan="3">Reduced energy consumption by 43,829 KWH compared to 2024.</td> </tr> </tbody> </table> 2. Reinforce prevention and controlling measures for unnecessary waste due to energy leaking during production. 3. The Company has employed oil-water separating chip vacuum removal systems to deal with cutting fluid for prolonging the useful life of the fluid and tools by purifying the muddy sediment to reduce impacts from industrial waste to the environment. 4. Zhongshan Plant 2/Zhongshan Plant 3 completed the wholesale power generation sale to Taiwan Power with the total capacity set at 913.21kwp. The actual power generation performance is as follows: <table border="1" data-bbox="678 1895 1219 2027"> <thead> <tr> <th>Year</th> <th>112</th> <th>113</th> <th>114</th> </tr> </thead> <tbody> <tr> <td>Power generation (10,000 kWh)</td> <td>121.2</td> <td>120.9</td> <td>116.5</td> </tr> </tbody> </table> 	Year	112	113	114	Machine-hour improvement for energy savings	46,269	49,683	5,854	Remark	Reduced energy consumption by 43,829 KWH compared to 2024.			Year	112	113	114	Power generation (10,000 kWh)	121.2	120.9	116.5	
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			<p>5. <table border="1" style="display: inline-table; vertical-align: top;"> <tr> <td style="width: 15%;">Remark</td> <td>Power generation in 2025 was 44,000 KWH lower than in 2024.</td> </tr> </table></p> <p>Implement energy-saving measures, replace old equipment with new energy-efficient machinery and equipment, and improve air compressor leakage, resulting in a total monthly electricity saving of 80,000 kWh in 2025.</p> <p>6. Install power factor correction capacitors (fixed compensation/automatic compensation) so that each kilowatt-hour of electricity can achieve maximum effectiveness, thereby saving electricity costs, reducing power loss, improving power supply quality and equipment life. Total energy savings in 2025 amounted to 114,000 kWh.</p>	Remark	Power generation in 2025 was 44,000 KWH lower than in 2024.															
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(III) Does the Company assess the potential risks and opportunities of climate change for enterprises now and in the future, and take measures to deal with climate-related issues?	V		<p>(III) In response to the issue of global warming and climate change, the Company has adopted the following measures:</p> <ol style="list-style-type: none"> Risks of rising and fluctuating prices caused by shortages of energy and resources, as well as disputes over nuclear energy, natural resources, and climate change pathways, have prompted enterprises to consider the introduction of new energy technologies or adjustments to production models. The Company's response measure is to phase out old-generation processes. Procure industrial waste liquid treatment equipment to independently treat industrial waste liquid generated during the manufacturing process, thereby reducing the environmental pollution risks and treatment costs of outsourced treatment. Build an environmental control and energy dashboard to visually present real-time energy consumption data of equipment (such as electricity, water, temperature, and humidity), enabling managers to quickly grasp energy consumption conditions, identify points of waste, further optimize equipment scheduling, and activate abnormality alerts, so as to achieve smart energy saving, reduce costs, improve energy efficiency, comply with environmental regulations, and ultimately realize sustainable development goals, making energy-saving results visible and manageable. Reducing the Company's production electricity costs and unnecessary waste in the manufacturing process is the Company's policy for energy saving and waste reduction. The results of energy-saving measures promoted in 2025 achieved actual electricity savings of >1%. Effectively monitor the power factor of each plant. In 2025, the average power factor was 97%, and the annual rebate from Taipower amounted to NT\$486 thousand (Taipower's power factor standard is based on 80%). <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Year</th> <th>112</th> <th>113</th> <th>114</th> </tr> </thead> <tbody> <tr> <td>Power factor %</td> <td>98.0</td> <td>98.0</td> <td>97.0</td> </tr> <tr> <td>Amount given back (10,000)</td> <td>43.2</td> <td>47.9</td> <td>48.6</td> </tr> <tr> <td>Remark</td> <td colspan="3">The amount of feedback in 2025 increased by NT\$ 7,000 compared to that in 2024.</td> </tr> </tbody> </table> <p>6. The Company has invested in and built its own solar photovoltaic power plant to contribute to climate change mitigation.</p>	Year	112	113	114	Power factor %	98.0	98.0	97.0	Amount given back (10,000)	43.2	47.9	48.6	Remark	The amount of feedback in 2025 increased by NT\$ 7,000 compared to that in 2024.			
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(IV) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total waste volume over the past two years, and established policies for greenhouse gas reduction, water conservation, or other waste management?	V		<p>(IV)</p> <ol style="list-style-type: none"> Greenhouse gas reduction policies/targets: <ol style="list-style-type: none"> Completion of the organizational GHG inventory (the parent company) in 2022 (including all branches and employee dormitories) Completion of 10% renewable energy power generation capacity in 2023 Average annual power conservation rate from 2015 to 2024 > 1% Completion of ESG in 2024 Public disclosure of the ESG Sustainability Report in 2025 Completion of organizational greenhouse gas inventory (subsidiaries) in 2026 Completion of organizational greenhouse gas verification in 2027 (parent company) Completion of organizational greenhouse gas verification in 2028 (subsidiaries) Completion of the organizational greenhouse gas inventory and greenhouse gas inventory report. Greenhouse gas emissions in 2024 were 4,948 metric tons CO₂e, representing a reduction of 364 metric tons CO₂e per year compared with 5,312 metric tons CO₂e in 2023, and the ISO 50001 Energy Management System has been established to achieve the greenhouse gas reduction target. <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Coverage</th> <th>Unit</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td rowspan="4">The Company (Zhongshan Plant, Zhongshan Plant II, Zhongshan Plant III, Cheng Gong Plant I, employee dormitories)</td> <td>Scope 1</td> <td>tCO₂e 188.9944</td> </tr> <tr> <td>Scope 2</td> <td>tCO₂e 3,460.5382</td> </tr> <tr> <td>Scope 3</td> <td>tCO₂e 1,662.5603</td> </tr> <tr> <td>Sub-total</td> <td>tCO₂e 5,312.0929</td> </tr> </tbody> </table>	Coverage	Unit	2023	The Company (Zhongshan Plant, Zhongshan Plant II, Zhongshan Plant III, Cheng Gong Plant I, employee dormitories)	Scope 1	tCO ₂ e 188.9944	Scope 2	tCO ₂ e 3,460.5382	Scope 3	tCO ₂ e 1,662.5603	Sub-total	tCO ₂ e 5,312.0929					
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			<p>2. Water use reduction policy: Actively monitor, record and analyze water consumption, prevent abnormal tap water leakage, and look for opportunities to recycle (recycle) water resources. The Company has implemented various water conservation measures to effectively reduce tap water consumption.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>112</th> <th>113</th> <th>114</th> </tr> </thead> <tbody> <tr> <td>Water Usage (ton)</td> <td>14,330</td> <td>13,778</td> <td>13,560</td> </tr> <tr> <td>Remark</td> <td colspan="3">218 tons less water usage in 2025 compared to 2024</td> </tr> </tbody> </table>	Year	112	113	114	Water Usage (ton)	14,330	13,778	13,560	Remark	218 tons less water usage in 2025 compared to 2024																																			
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<p>(II) Employee remuneration policy: Compensation is determined based on individual capability, contribution to the Company, performance, the market value of the position held, and consideration of the Company’s future operational risks, and is positively correlated with operating performance. In accordance with Article 28 of the Company’s Articles of Incorporation, if the Company records a profit for the year, no less than 3% shall be appropriated as employee remuneration (of which no less than 40% shall be allocated to grassroots employees). In 2025, 4% of net profit was appropriated as employee remuneration.</p> <p>To attract and retain outstanding talent, employees share in the Company’s operating results through a comprehensive compensation system, including monthly salaries and year-end bonuses. Monthly salaries are determined based on employees’ prior experience, capabilities, and positions held; year-end bonuses are granted based on Company performance and individual performance.</p> <p>Workplace Supports: Employees are entitled to take family care leave to allow managing work and family at the same time. In addition, special arrangements will be made for employees who just gave birth.</p> <p>Please refer to “Compensation and Benefits” under the Company’s website for more details.</p> <p>Workplace diversity policy: The Company upholds the principles of respecting diversity and promoting social inclusion, and actively provides stable employment opportunities for persons with disabilities. In accordance with the “People with Disabilities Rights Protection Act,” as of December 31, 2025, the Company employed a total of 7 persons with disabilities who are capable of employment, all hired locally. This number exceeds the requirement stipulated in Article 38, Paragraph 2 of the Act: “For private enterprises with a total number of employees of 67 or more, the number of persons with disabilities employed shall not be less than 1% of the total number of employees and shall not be less than one person.” The Company provides job redesign and workplace counseling support mechanisms to assist employees with disabilities in integrating smoothly into the work environment, thereby safeguarding employment opportunities for disadvantaged groups and demonstrating the Company’s firm commitment to social care and inclusive sustainability.</p>																																		

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(III) Does the Company provide a safe and healthy working environment for its employees and conduct regular safety and health education for them?	V	Distribution of Gender and Age Groups in 2026						
		Age \ Gender		Female			Male	
				Number of Shareholders	Percentage		Number of Shareholders	Percentage
		Under 30 years		5	1.67%		12	4.00%
		31-50		72	24.00%		147	49.00%
		Over 51 years old		18	6.00%		46	15.33%
		Total		95	31.67%		205	68.33%
		Gender ratio and headcount for each job level in 2025 (local vs. non-local)						
		Grade \ Gender		Female			Male	
				Number of Shareholders	Percentage		Number of Shareholders	Percentage
Regular employees	Other cities and counties	6	2.00%	13	4.33%			
	Local	77	25.67%	168	56.00%			
Mid-level management	Other cities and counties	0	0.00%	0	0.00%			
	Local	10	3.33%	21	7.00%			
High-ranking executives	Other cities and counties	0	0.00%	2	0.67%			
	Local	2	0.67%	1	0.33%			
Total		95	31.67%	205	68.33%			
Gender Breakdown of People with Disabilities Hired in 2025								
Age \ Gender		Female		Male				
		Number of Shareholders	Percentage	Number of Shareholders	Percentage			
Under 30 years		0	0.00%	0	0.00%			
31-50		1	0.33%	5	1.67%			
Over 51 years old		0	0.00%	1	0.33%			
Total		1	0.33%	6	2.00%			
Gender distribution of local hires in 2025								
Nationality		Female		Male				
		Number of Shareholders	Percentage	Number of Shareholders	Percentage			
Local employees		94	31.33%	198	66.00%			
Foreign Employees		1	0.33%	7	2.33%			
Total		95	31.67%	205	68.33%			
<p>Salary policy: The Company firmly believes that a "fair and transparent" remuneration system is a key cornerstone in attracting, retaining, and motivating outstanding talent. The remuneration policy is based on a performance-oriented approach and principles of both internal and external equity, ensuring that all employees are compensated fairly based on their position responsibilities, education and experience, professional skills, and individual performance.</p> <p>We firmly believe that gender equality is an important foundation for building a diverse</p>								

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	Yes	No	Explanation															
			<p>and inclusive high-performance workplace, and we continue to promote the "equal pay for equal work" policy to ensure that all genders receive fair and equal salaries and benefits for the same duties and responsibilities.</p> <p style="text-align: center;">2025 Basic Salary Ratio between Men and Women</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Basic salary</th> </tr> <tr> <th>Female</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>Non-managerial position</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1.11</td> </tr> <tr> <td>Mid-level management</td> <td style="text-align: center;">1</td> <td style="text-align: center;">0.96</td> </tr> <tr> <td>High-ranking executives</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1.17</td> </tr> </tbody> </table> <p>Note: Female is represented as 1 for ratio purposes.</p> <p>(III)</p> <ol style="list-style-type: none"> 1. The Company has established a dedicated unit (the Labor Safety Office) to plan, supervise, and implement the relevant management measures, and regularly conducts annual employee health check-ups and self-defense fire brigade drills every six months to safeguard employee and factory safety. 2. To ensure employee health and safety, the Company obtained ISO 45001 Occupational Health and Safety Management System certification in 2021. The current certificate is valid from September 15, 2024 to September 14, 2027. Through the PDCA (Plan-Do-Check-Act) management cycle, the Company establishes, maintains, and continuously improves the management system in order to reduce occupational health and safety risks, provide a safer and healthier working environment, prevent work-related injuries and health impacts, and continuously improve occupational health and safety performance. The number of covered workers is 315, accounting for 95% of the total workforce; the number of non-employee workers is 18, accounting for 5% of the total workforce. 3. To more effectively and continuously improve occupational health and safety management, the Company has established an Occupational Health and Safety Committee with a total of 15 members (labor representatives account for 33.3%), which convenes regularly every quarter to deliberate on matters related to the promotion of occupational health and safety management and the prevention of occupational accidents and disasters, so as to implement the Company's occupational health and safety policy. 4. Each year, through the method of "comprehensive hazard identification and risk assessment," occupational health and safety risks are identified in advance and control measures are formulated to effectively reduce the risk impact of the Company's various activities and operations. 5. Each year, the Company organizes "environment, safety, and health competition activities" to establish an excellent occupational safety culture of "Safety First" and "Full Participation." By promoting such competition activities, the Company enhances each on-site employee's awareness of safety, health, and environmental protection for pollution prevention, thereby creating a safe, healthy, economical, and environmentally friendly working environment and healthy workplace. 6. The Company has formulated a labor health service plan, the contents of which cover maternal health protection plans, prevention plans for musculoskeletal disorders caused by repetitive operations, prevention plans for diseases caused by abnormal (excessive) workloads, prevention of unlawful infringement arising from the execution of duties, and work fitness management for middle-aged and elderly workers, including employee health hazard assessment and control, health grading management, work suitability arrangements, and other related measures, in order to meet employees' health service needs. 7. Medical and nursing personnel are regularly arranged each month to provide on-site services in order to monitor employees' health conditions and prevent hazards, and, when necessary, assist in making work suitability adjustments. These services include health consultations, maternal health risk assessments, abnormal workload assessments, ergonomic hazard assessments, physical and mental consultations, and emergency medical response planning. 8. Each year, in accordance with the schedule of the labor health service plan, the Company regularly promotes various health management and promotion activities, including health check-up activities, physical fitness activities, work-life balance, psychosocial courses, stress relief courses, family-friendly activities, smoking hazard prevention activities, hiking activities, group meal management, influenza vaccination activities, etc., and has obtained the Health Promotion Self-Assessment Certificate issued by the Health Promotion Administration, Ministry of Health and Welfare. 9. The Company has established a health promotion implementation unit, a Health Promotion Committee, and a volunteer service team. Through the continuous promotion of various health promotion activities, the Company enhances employees' health awareness and promotes their physical, mental, and social health, leading all colleagues to jointly create a healthy workplace culture and a friendly workplace environment. 10. In order to prevent workers from suffering bodily harm due to exposure to hazardous substances in the workplace, the Company conducts work environment monitoring every six months to understand the working environment conditions and assess the degree of workers' exposure hazards, thereby improving the on-site environment and preventing occupational accidents. Appropriate protective equipment is provided for special operations to protect employees' health. 11. Every three years, through the CCB chemical assessment and graded management tool, the Company evaluates the health hazard risk levels of chemicals with health hazards and their exposure conditions to workers, and adopts corresponding control and management measures to strengthen workers' health protection. 12. For operations involving high-risk hazards, specific personnel education and training shall be conducted at the frequency required by laws and regulations, so as to obtain qualifications and 	Category	Basic salary		Female	Male	Non-managerial position	1	1.11	Mid-level management	1	0.96	High-ranking executives	1	1.17	
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	Yes	No	Explanation	
			<p>licenses. New employees may not operate machinery before receiving adequate pre-job training, and supervisors must be present on-site to ensure workplace safety.</p> <p>13. Each year, according to the annual education and training needs schedule, environmental, safety, and health education and training and emergency response drills are implemented in accordance with the planned schedule. This includes new employees, incumbent employees, migrant worker native-language EHS training, specific personnel, and environmental, safety, and health organizational personnel. Courses include new employee learning maps, general environmental, safety, and health education and training, safety of productive machinery and equipment, hazard communication, oxygen deficiency operations and confined space hazard prevention, hearing protection, unlawful infringement, occupational safety and health self-inspection, environmental protection education and training, and waste classification advocacy, etc., to establish employees’ safe work attitudes and avoid accidents, injuries, or environmental pollution. The annual total number of participants in environmental, safety, and health education and training was 3,627.</p> <p>14. Statistics on occupational disasters and safety incidents and response measures:</p> <ul style="list-style-type: none"> ● Employee occupational disasters: In 2025, the number of employee occupational disaster cases was 0, the number of injured persons was 0, accounting for 0% of the total number of employees, and the total injury index was 0. The Company continues to maintain a safe operating environment to ensure a zero-accident record. ● Fire incidents: In 2025, there was a total of 1 fire incident, with 0 deaths or injuries, and the number of deaths or injuries accounted for 0% of the total number of employees. ● Improvement measures: In response to the fire incident, the Company has initiated subsequent reviews and implemented improvements and recurrence prevention measures in terms of personnel, machinery, materials, methods, and environment. In addition to requiring the responsible unit to make improvements, the Labor Safety Office has dispatched personnel to conduct special audits to ensure that the risks have been fully controlled. 	
(IV) Has the Company established plans that assist employees in effective career development and growth?	V		<p>(IV) Employee development plans: The Company is committed to fulfilling its vision of inclusive and shared prosperity. By establishing a comprehensive career development system, it builds a complete talent development pathway from new employees to the succession pipeline. The Company is committed to building a learning organization and an employee development plan that balances business and human capital benefits, ensuring the sustainable cycle of corporate operations and talent assets. Through comprehensive employee development plans, the Company assists employees in realizing their potential in the workplace and achieving professional growth, thereby enhancing the Company’s overall value. Training expenses are fully borne by the Company, demonstrating its commitment to enhancing employees’ capabilities. Through a comprehensive talent development system and career development mechanisms, the Company assists employees in improving their professional competencies and workplace competitiveness, while also establishing clear promotion pathways to foster mutual growth between employees and the Company.</p> <p>1. Common training: A diverse and comprehensive career training system</p> <p>(1) Technical cultivation program:</p> <ul style="list-style-type: none"> ● Objectives: Build technical foundations, practical application, precise operation, and quality assurance ● Target participants: Production, technical, and R&D personnel ● Total training hours of technical cultivation courses in 2025: 1,297.5 hours; cultivation direction: To deepen process technology and production line system integration capabilities, focusing on core manufacturing processes and parameter control techniques to ensure the stability of production line utilization and production quality, while emphasizing on-site management and workplace safety awareness, and cultivating technical talent capable of rapidly transitioning into immediate productivity through practical exercises and case-based teaching. <p>(2) Mid-level management cultivation program:</p> <ul style="list-style-type: none"> ● Objectives: Management capability, professional capability, marketing capability, humanities literacy, and psychological quality ● Target participants: Mid-level managers and reserve cadres ● Total training hours of the mid-level management cultivation program in 2025: 819 hours; cultivation direction: The Company values talent cultivation and cultural inheritance. In addition to focusing on the development of leadership and management capabilities, the mid-level management cultivation program also incorporates more content on team building, ESG sustainable development, and international perspectives, cultivating the ability and qualities of mid-level managers to lead by example, lead teams, and exert positive influence. <p>(3) New employee training program:</p> <ul style="list-style-type: none"> ● Objectives: Strengthen safety awareness, implement Company systems, promote environmental and information safety, and build quality awareness ● Target participants: New employees ● Total training hours of the new employee training program in 2025: 210 hours; cultivation direction: To assist new employees in quickly adapting to the Company environment and building comprehensive workplace capabilities and safety awareness. Enable employees to understand Company policies, rights and responsibilities, and codes of ethics; enhance environmental and information security awareness; strengthen risk management and protection capabilities; establish quality management concepts; and cultivate the ability for continuous improvement and standardized operations. Help new employees establish values of teamwork and gain an in-depth understanding 	

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	Yes	No		
			<p>of the corporate culture from the training content.</p> <p>2. Professional training: Strategic talent cultivation to meet future challenges</p> <p>(1) Program name: ESG Sustainability Training</p> <ul style="list-style-type: none"> ● Program description: In 2025, the Company offered a total of 33 ESG-related training courses. To implement corporate governance and sustainable management concepts, the Company planned and promoted professional training courses related to ESG (environmental, social, and corporate governance). Through a systematic education and training mechanism, the Company enhanced the Board of Directors, management, and relevant personnel’s professional understanding and practical capabilities regarding ESG issues, and strengthened their application in operating strategy, risk management, and legal compliance. ● Target trainee participation rate: 100% in 2025 <p>(2) Program name: AI Professional Literacy Cultivation</p> <ul style="list-style-type: none"> ● Program description: Personnel in various professional fields of the Company enhance each department’s practical execution capabilities through AI training courses, including process optimization, data analysis, decision support, and automation applications, thereby improving overall operational efficiency and productivity. Through the application of these skills, employees can support the Company’s innovation in processes, services, and product development, and promote the Company’s continued development in AI technology applications and smart manufacturing. In 2025, a total of 62 participants attended AI basic courses, with total training hours of 90 hours. Training content included: AI training courses centered on “from fundamental principles to application practice,” focusing on “AI information management applications,” to help colleagues build a solid foundation of AI professional knowledge. The courses will follow guidelines for the application of artificial intelligence (AI), deeply integrating it into production process optimization, quality management, and enhancement of financial efficiency, and integrating AI technologies into key areas such as information security protection, financial security, intelligent automation, digital twins, energy optimization, supply chain management, and quality inspection, comprehensively strengthening the Company’s smart manufacturing capabilities and promoting sustainable operations and digital transformation. ● Target trainee participation rate: 100% in 2025 <p>(3) Program name: Internal Audit Cultivation Program</p> <ul style="list-style-type: none"> ● Program description: In order to encourage internal audit personnel of the Company to obtain relevant certifications and strengthen their professional capabilities, so as to reasonably ensure the continuous and effective implementation of the internal control system and risk management mechanisms. This program is intended for personnel of the internal audit department. As of the end of 2025, under the audit cultivation program courses, the total training hours for the audit supervisor and the supervisor’s deputy reached 30 hours. ● Target trainee participation rate: 100% in 2025 <p>(4) Program name: Regulatory Compliance Training Program</p> <ul style="list-style-type: none"> ● Program description: To implement corporate governance and comply with regulatory systems, ensure that all operational activities comply with relevant laws, regulations, and internal rules, prevent risks of violations and improper conduct, and maintain the Company’s ethical management and good reputation; and through a sound compliance system, strengthen internal control and risk management mechanisms, safeguard the rights and interests of shareholders, investors, and other stakeholders, thereby enhancing the effectiveness of corporate governance and sustainable operation capabilities, building a safe, healthy, and compliant workplace environment, and introducing key courses and management mechanisms. This program is intended for all employees subject to legal and regulatory advocacy, heads of finance and accounting, corporate governance, and sustainability departments, and other personnel responsible for regulatory compliance. As of the end of 2025, the total hours of training program courses reached 569.5 hours. ● Target trainee participation rate: 100% in 2025 <p>(5) Program name: Management System Training Program</p> <ul style="list-style-type: none"> ● Program description: This program aims to strengthen quality awareness among all employees and implement the operation of the quality management system. Through professional training, the Company enhances employees’ execution capabilities in process control, risk management, and the implementation of standards, ensuring that products and services comply with customer requirements and regulatory standards. Through continuous improvement cycles to optimize operational efficiency, the Company strives to achieve customer satisfaction and enhance its core competitiveness. This program is intended for personnel in various responsibilities. As of the end of 2025, the total training hours of the management system cultivation program reached 501 hours. ● Target trainee participation rate: 100% in 2026 	
(V) Does the Company follow relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products	V		(V) The Company formulated the “Customer Service Management Process” in 2004. In terms of customer relationships and communication, through regular and irregular meetings, customer visits, and quarterly and monthly performance reviews or business exchanges, the Company has established good strategic cooperative partnerships. In planning short-, medium-, and long-term development goals and social responsibility for both parties, the Company seeks consistent and	

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and services, and formulate relevant policies and grievance procedures to protect the rights and interests of consumers? (VI) Does the Company have a supplier management policy that requires suppliers to follow relevant specifications and their implementation in environmental protection, occupational safety and health or labor human rights issues?		V	<p>mutually growing synergies.</p> <p>To serve customers, the Company has established a dedicated customer service office at its Taiwan headquarters and appointed dedicated customer representatives according to different international customers, responsible for providing support on issues such as product safety and quality requirements, environmental management, social responsibility, and hazardous substance control required by customers. This not only provides necessary and sufficient information in a timely manner to satisfy the requirements of customers, end consumers, or government authorities, but also cooperates with customers' corporate social responsibility plans in carrying out necessary activities, investigations, confirmations, audits, and related data collection.</p> <p>To confirm customer satisfaction with the Company's service quality, the Company conducts customer satisfaction surveys in the fourth quarter of each year or upon completion of a project. Customers may provide their satisfaction with the Company's service quality and effectiveness through scoring, feedback, or comparison with the Company's competitors. In addition to providing specific responses to customers and tracking the improvement progress of the relevant responsible departments, the Company's dedicated customer satisfaction team also identifies underlying issues through data analysis and consolidates reports for senior management as a reference for medium- and long-term operating plans. According to the results of the Company's 2024 customer satisfaction survey, the overall average customer satisfaction score for the Company was 93 points (out of a total of 100), among which both "abnormal handling efficiency" and "overall performance" reached 95 points.</p> <p>In addition, in addition to communicating with the Company through the Company's website for B2B communication, the Company has also established a "Customer Complaint Control Process." After receiving a customer complaint, the relevant departments are required to respond to the customer within 24 hours with response and containment measures, and provide the root cause and preliminary countermeasures within 7 to 14 days. In 2025, the Company's indicator for "on-time customer complaint response rate (3D/24hr)" reached 100%. The Company's customer communication and complaint contact information is as follows:</p> <ul style="list-style-type: none"> ● Customer communication website: https://www.tsangyow.com.tw/ ● Customer complaint hotline: 886-5-2200888 (Rep.) ● Customer communication / complaint email: sales@tsangyow.com.tw <p>(VI)</p> <ol style="list-style-type: none"> 1. Before dealing, all suppliers are asked to follow the procedures from "Supplier Management for Environmental Safety and Health" and "Vendor Management Procedures" Any records of environmental or social incidents from the suppliers will be taken into consideration in the selection procedure. 2. A "Supplier Management for Environmental Safety and Health" has established to require suppliers care for occupational safety and health and environmental management to ensure employee safety in the working plants and to prevent pollution causing significant impacts to the environment, which covers: <ol style="list-style-type: none"> (1) All plant activities such as product and service repairs and modification, equipment moving, installation, addition or replacement. (2) The construction contractors and suppliers who have received orders from the Company, with their brokering agencies, raw material suppliers or subcontractors. 3. The Company conducts initial screening, examination checks, and regular audits of its suppliers. At the contract signing, a statement requiring adhering to labor laws and preventing environmental damages is listed as a mandatory provision to ensure suppliers' promise to fulfill corporate social responsibilities. Any violation, especially when there are evident impacts to the environment and the society, the signed contract can be terminated or canceled immediately. 4. Examination on environment/safety & health shall be conducted regularly on top-10 and high-risk (such as plating and painting services) vendors based on the outsourced units in every first quarter for any violation or compliance issues in the previous year. All records shall be kept in "Environmental and Safety & Health Check List for Outsourced Contractor" for future reference. 5. The Company uses the "Supplier Evaluation Form" to grade suppliers and continuously monitor their performance. Procurement and quality personnel use this performance data to determine suppliers' eligibility for new business opportunities and to identify areas for improvement. The delivery performance of suppliers with whom we have business dealings is collected once a month, and assessed on a yearly basis. The three main indicators are 1. delivery date, 2. quality, and 3. environmental, safety, health, and cooperation. "Transaction amount" and "supply risk" are divided into critical/material/fair. Determination of assessment grade: <ul style="list-style-type: none"> (Grade A: over 99 points) "Benchmark Company" (Grade B: 86 98 points) "Qualified and Excellent Vendor" (Grade C: 70 85 points) "Qualified Vendor" (Grade D: 60 69 points) "Observation"; a Grade D vendor for 2 consecutive times will receive an audit (Grade E: below 60 points) a Grade E vendor will receive an audit; a Grade E vendor for 2 consecutive times will be "eliminated." <ol style="list-style-type: none"> 5.1 When the monthly performance appraisal result is D or E, the responsible unit must issue an abnormality report. 5.2 If a customer terminates the relationship or is subject to a recall during the monthly assessment, the assessment for that month will be rated E. If a customer complaint occurs during the monthly assessment, a rating of A or B is not possible. An assessment of A is not possible if the in-process defect rate is not perfect. 6. The Company's suppliers comply with labor, health and safety, environmental, ethical, and management system standards, and are required to sign the Company's "Supplier Corporate Social Responsibility and Responsible Procurement Code of Conduct Statement." This requirement is based on international labor and human rights norms and Taiwan's Labor Standards Act, prohibiting forced labor and worker abuse, the use of child labor, and ensuring a safe and healthy workplace for employees to reduce occupational hazards. Suppliers are also expected to provide care for their employees and commit to environmental protection to pursue the sustainable growth of both parties. In 2025, five valid commitment letters were issued to and 	

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			<p>received from five new suppliers as part of standard business procedures.</p> <p>7. Tsang Yow conducted a total of 12 major supplier audits in 2023, and conducted on-site audits in all aspects of quality and sustainability to ensure that the industrial value chain complies with economic, environmental, and social laws and regulations and relevant norms. Upon inspection, no major suppliers of the Company were punished for violating laws or regulations, and good management did not cause any negative impact on society and the environment. The Company’s fulfillment of the regulations has met its expectation for suppliers to meet the sustainability performance requirements of the supply chain, maintaining a continuous supply chain partnership.</p> <p>8. The Company requires suppliers to commit to conducting thorough investigations of their supply chains to ensure the procurement of conflict-free metals such as gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), and mica. To address the issue of conflict minerals management, the Company has formulated a “Conflict-Free Metals Declaration,” requiring suppliers to undertake thorough supply chain investigations to ensure that metals such as gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and mica are not mined from conflict areas in the Democratic Republic of the Congo by non-governmental armed groups or illegal organizations, nor obtained through illegal smuggling channels. Through strengthened supply chain management, the Company effectively identifies and traces the sources of raw materials and eliminates the use of conflict minerals. In addition, metals exported from the following countries are deemed not to comply with the “conflict-free specifications” as determined by the United Nations Security Council: Democratic Republic of the Congo (DRC), Rwanda, Uganda, Burundi, and Tanzania. Tsang Yow does not support or use “conflict minerals” and continues to pay close attention to this issue, while also requiring strict compliance throughout its supply chain. In 2025, 5 new suppliers were added, and a total of 5 declarations of non-use of conflict minerals were signed by suppliers.</p>	
V. Does the Company prepare the corporate social responsibility report and other reports that disclose the Company’s non-financial information in accordance with the international reporting standards or guidelines? Is the aforesaid report confirmed or guaranteed by a third-party verification unit?	V		<p>V.</p> <p>In accordance with the “Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies,” listed companies shall, by August 31 each year, upload the sustainability report file to the Company’s website and file it on the Market Observation Post System.</p> <p>The Company prepares its “Sustainability Report” in accordance with the “GRI Standards 2021” issued by the Global Reporting Initiative (GRI) and the Taiwan Stock Exchange’s “Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies,” disclosing the Company’s identified material economic, environmental, and people-related topics (including human rights) and impacts, disclosure items, and reporting requirements. The Company also refers to the Sustainability Accounting Standards Board (SASB) standards to disclose industry-specific metric information and the SASB index corresponding to the contents of the report.</p> <p>The 2024 “Sustainability Report” published in 2025 was convened by the “Sustainability Promotion Committee,” with relevant department heads jointly participating in the compilation and revision of the initial draft. The proposal for the completion and finalization of the 2024 Sustainability Report was submitted to the “Sustainable Development Committee” for review and approval on August 6, 2025, and was also submitted to the Board of Directors on August 6, 2025 for discussion, resolution, and approval for issuance. The report file was uploaded to the Company’s website and filed on the Market Observation Post System.</p> <p>The 2024 “Sustainability Report (English Version)” published in 2025 was prepared in accordance with the latest GRI Standards and discloses the GRI index cross-reference table. The “Sustainability Report (English Version)” was uploaded to the Company’s website and filed on the Market Observation Post System before the end of 2026.</p>	No difference
<p>VI. If the Company has established its own sustainability development code in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any differences between its operations and the established code:</p> <p>The Company adopted the “Corporate Social Responsibility Best Practice Principles” upon approval by the Board of Directors on August 9, 2013, and subsequently amended such principles upon approval by the Board of Directors on March 15, 2022 in order to strengthen the implementation of corporate social responsibility. In December 2022, in line with the latest amendments to the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” the Company further revised the “Corporate Social Responsibility Best Practice Principles” into the “Sustainable Development Best Practice Principles,” which were approved and adopted by the Board of Directors on March 15, 2023. The Company manages and improves its economic, environmental, and social risks and impacts in accordance with such principles. On November 6, 2025, amendments were additionally made in response to regulatory revisions: corresponding to the latter part of Article 10, Paragraph 4 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies,” the Company strengthened internal stock trading control measures for insiders, including measures governing insider stock trading from the date insiders become aware of the Company’s financial reports or related financial performance information, including (but not limited to) prohibiting directors from trading their shares during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of each quarterly financial report.</p> <p>There have been no differences in implementation to date.</p>				

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<p>VII. Other important information to understand the operation of corporate social responsibilities: (Such as environmental protection, community participation, public contribution, social service, social charity, consumer rights, human rights, safety & health, and any other systems, measures and implementation for social responsibilities):</p> <p>(I) Environmental protection</p> <ol style="list-style-type: none"> 1. The Company has completed the renewal review for ISO 14001:2015 environmental management certification, which covers the latest international governing regulations and enables the improvement in pollution prevention and environment protection. For waste management, approved vendors by the Environmental Protection Administration are hired for the related operation. In addition, to reinforce the pollution prevention and environment hygiene, related laws, the Waste Disposal Act, Amendment to Noise Control Standards, and Air Pollution Control Act, etc., have been strictly followed. All wastewater generated from production and domestic used are drained away through the sewer system in Min-Hsiung Industrial Park for centralized handling to ensure the community health and environmental quality. 2. Promotion of environmental safety management plans: Based on the results of investigations into environmental aspects, the Company implements control measures for material environmental aspects, compliance obligations, and customer-specific requirements, and monitors and controls relevant data on air, water, waste, noise, and soil to prevent major environmental pollution. Environmental safety policies, objectives, and management programs are established to continuously improve environmental safety policies, strictly comply with laws and regulations, the compliance obligations undertaken by the organization, and other commitments. Specific actions in 2025 are as follows: <ol style="list-style-type: none"> 2.1 Implementation of resource recycling, reuse, and carbon reduction: The Company completed revisions to the industrial waste disposal plans for each plant, adding R-0201 and R-0221 (waste plastics for solid recovered fuel raw materials) as waste plastic items, and classifies and recycles mixed waste plastics (D-0299) into SRF (solid recovered fuel). In 2025, the total performance weight for resource recycling, reuse, and waste reduction was: 3.67T. 2.2 Industrial waste reduction: <ol style="list-style-type: none"> 2.2.1 Implementation of the classification of plastics, waste fibers, or other cotton and cloth materials. In 2025, 32.6 tons of waste plastic mixtures and 20 tons of waste cloth were classified. 2.2.2 Self-treatment of industrial waste: In 2025, the total reduction in waste oil mixtures (D-1799) amounted to 260 tons. 2.2.3 Implementation of sludge drying reduction: Through solar energy and natural air drying, moisture in sludge is evaporated and seeped out, effectively reducing moisture content, decreasing volume, and stabilizing sludge properties, thereby achieving environmental and economic benefits such as saving transportation costs, reducing landfill space, and lowering environmental impact. In 2025, the total sludge reduction amounted to 2.6 tons. 2.3 Promotion of water resource management plans: <ol style="list-style-type: none"> 2.3.1 Through the implementation of various water-saving measures and improvements in leakage reduction, tap water usage in 2025 was reduced by 220 metric tons compared with 2024. 2.3.2 Establishment of a rainwater recycling and reuse system: By collecting rainwater from rooftops and other areas and using it for irrigation after simple treatment, the Company has achieved sustainable use of water resources, reduced reliance on the tap water system, and aligned with sustainable development goals. In 2025, cumulative rainwater recycling amounted to 17 metric tons (cubic meters (T)). 2.3.3 Completion of the water resource management plan. 2.3.4 Additional water meters were installed at the Zhongshan Plant to facilitate digitalized management: in September, the Company completed the real-time water usage monitoring dashboard for the Zhongshan Plant site and office building to detect abnormal water consumption. 2.3.5 Completion of the seed personnel training program for water resource management and the first edition of the water balance chart. 2.4 The mold department uses scrap materials, discarded iron materials, or waste molds, which are recycled and reused to manufacture new mold inspection fixtures. From January to November 2025, recycling and reuse (circular economy) performance amounted to 835 kg / NTS89 thousand. 2.5 Through green procurement, the Company prioritizes the purchase of environmentally friendly raw materials and products that are “low pollution, resource-saving, and recyclable” in order to achieve energy conservation and carbon reduction. From January to November 2025, green procurement performance amounted to NT\$5.958 million for the general affairs unit and NT\$86.56 million for the procurement unit, with green procurement accounting for 17.3% of the total procurement amount. 2.6 The fixed pollution source operation permit for Zhongshan Plant was reviewed for extension and approved by the Chiayi County Environmental Protection Bureau in October 2025, and its pollution prevention measures and emissions continue to comply with the latest air pollution control regulations and standards. 2.7 Noise control at the perimeter of the stamping plant. <ol style="list-style-type: none"> 2.7.1 The perimeter noise measurement meets the standards of the Noise Control Act. 2.7.2 Communication with the residents in the perimeter and neighborhood activities. 2.7.3 Routine noise control – the number of abnormal noises throughout the year was 2. 2.8 Conducted the 114 emergency response and drill, totaling 466 participants in 5 education and training sessions. <ol style="list-style-type: none"> 2.8.1 Waste liquid spill emergency response drill, with an annual training subtotal of 5 participant attendances. 2.8.2 Firefighting self-defense formation drill (including day, midday and night shift), with 194 participants in the annual education and training session. 2.8.3 Company-wide emergency evacuation drill, with an annual training subtotal of 251 participant attendances. 2.8.4 Flood emergency response drill, with an annual training subtotal of 3 participant attendances. 2.8.5 First aid training, with an annual training subtotal of 13 participant attendances. 2.9 Obtained the Ministry of Environment’s “Net-Zero Green Life Eco-friendly Restaurant” certification. 3. Promote the operation of the ISO 50001 Energy Management System and conduct energy reviews to obtain energy performance information and understand the overall status of energy consumption, thereby implementing energy management more efficiently, reducing energy costs, and mitigating greenhouse gas emissions and other environmental impacts. <ol style="list-style-type: none"> 3.1 Rental income from leasing the rooftop of Zhongshan Plant in 2025: NT\$400 thousand. 3.2 Revenue from self-generated solar power sales in 2025: NT\$5.33 million. 3.3 Rebate received in 2025 for achieving a power factor of 95%: NT\$486 thousand. 3.4 Completed the installation of the on-site ESG management dashboard. 3.5 Air compressor leak inspections (once per month), saving 80,000 kWh of electricity, with cumulative savings of NT\$343 thousand. 3.6 Replaced beverage vending machines with energy-saving models, saving 20,057 kWh of electricity, with cumulative savings of NT\$86 thousand. 3.7 Installed power factor correction capacitors (fixed compensation/automatic compensation) to maximize the effectiveness of every kilowatt-hour of electricity, thereby reducing total current, saving electricity costs, reducing power loss, improving power supply quality, and extending equipment life. Total electricity savings in 2025 amounted to 114,000 kWh. 3.8 Implemented “infrared thermal imaging load analysis” for electrical equipment of key facilities, and proposed improvements for electrical loads and abnormal electrical equipment. In 2025, inspection of 29 power distribution panels was completed, and improvements were completed for 2 abnormalities. 3.9 Improved manufacturing processes to reduce machine hours and labor hours in manufacturing costs, achieving enhanced process yield and energy-saving purposes. Total electricity savings in 2025 amounted to 5,854 kWh. 4. Energy management plan and implementation in 2025: The Company actively promoted various energy reduction measures, selected equipment with high energy efficiency and energy-saving design, reduced energy consumption of the enterprise and products, and planned the use of renewable energy to optimize energy-use efficiency. The 2025 electricity usage target was a reduction of 2,721 MWh (approximately 43%) compared with the 2021 baseline year of 9,017 MWh, and the target has been achieved. The future target (2026–2030) is to reduce electricity usage by at least 10% compared with 2021. In 2025, the procurement amount for products with energy-saving labels under green procurement was NT\$3.828 million. To improve the efficiency of renewable energy use, the Company is actively planning a self-generation and self-consumption solar power plant supply solution. The existing solar power plant generated a total of 1,165,936 kWh of green electricity in 2025. In addition, the Company is committed to achieving a renewable energy usage rate of 10% by 2030. 				

用電量	本公司 (中山二廠、中山三廠)	度	9,017,740	8,458,452	6,992,216	6,768,940	6,296,156	減少6.9%	
用水量	廠、中山二廠、中山三廠、成功一廠)	公噸	16,893	16,845	14,330	13,788	13,560	減少1.6%	
廢棄物產出量	非有害	公噸	440.0	581.0	484.4	538.3	431.9	減少19.8%	
		有害	公噸	5.4	6.7	4.78	4.82	3.26	減少32.4%
		小計	公噸	445.4	587.7	489.2	543.1	435.2	增加19.9%
太陽能發電量	中山二廠、中山三廠	度	299,632	1,212,048	1,209,580	1,165,936	減少3.6%		

年度項目
涵蓋範圍
單位
與前一年度
與 2021 年
溫室氣體排
本公司 (中

用電量
用水量
廢棄物產出
太陽能發電
本公司 (中

中山二廠、
度
公噸
增加 9.0%
減少 33.0

碳排放量減
用電量減少
用水量減少

永續經營目標
議題

風險

2024 年目標

2024 年績效

達成情況

短期目標 2025 年

中期目標 2026~2029 年

長期目標 2030 年~

能源使用風險

> 太陽能再生能源設施，設置容量達 916.54kwp

> 建置環控 (能源) 管理資訊系統，有效監督與分析能源使用狀況

> 2015 年至 2024 年之平均年節電率>1%

> 製成工藝改善，降低機時與人時製造成本，達到製程良率提升與節能的目標

太陽能再生能源設施設置完成，2024 年太陽能發電度數 120 萬度

環控(能源)管理資訊系統建置完成

各廠區年節電率超過 1% 以上，中山廠 3.31%、沖壓廠 3.47%、成功廠 1.66%

製程降低機時改善節電度數 5 萬度

達成

推動能源效率提升計劃、每月實施能源審查，透過環控 (能源) 管理資訊系統與巡檢檢查、有效監督與分析能源使用效率，減少能源浪費提升能源使用績效

2025 年之平均年節電率>1%

持續推動製程工藝改善及綠色採購、汰換處分耗能設備、導入具節能之多功能複合式加工設備、通過能效提升措施、減少能源消耗

持續推動 ISO50001 能源管理系統與能源效率提升計畫，以增加能源使用效率及進行減量管理，並逐年提高再生能源使用率

投資綠色技術，提升再生能源使用率>10%，實現全面的能源節約與經濟適用的潔淨能源

(II) Community participation, public contribution, social service, and social charity

1. Public contribution:

1.1 The Company has, for many times, conducted industrial and academic exchanges with many levels of schools, including open-house visits, to help students understand and experience actual business operation and get extra stimulus and inspiration when combining theories and application and making plans for future careers.

1.2 The Company has employed disadvantaged labor at a number beyond what is required by the government's policy.

1.3 A charity foundation was formed under the Company name to give hands to the vulnerable groups and make contribution to the society.

1.4 Various sponsorships have been given to Fu Le Community Development Association in various activities to facility social harmony and happiness.

1.5 The Company took part in an honorary worker selection campaign held by Min-Hsiung Industrial Park Service to promote and reward workers of dedication and teamwork spirit.

2. Social charity involvements:

2.1 The Company donated to establish the Chiayi County Tsang Yow Social Welfare Charity Foundation to realize the business philosophy of "creating

Promoted Item	Implementation Status (Note 1)			Difference from "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies"														
	Yes	No	Explanation															
<p>profits, sharing with employees, and giving back to society." In 2025, the total public welfare expenditure amounted to approximately NT\$739 thousand. The social responsibility activities are as follows:</p> <p>2.1.1 The Company, together with the "Tsang Yow Charity Foundation," organized blood donation activities at the Chiayi Blood Donation Station and Chiayi Chuiyang Blood Donation Center. The Company exercised positive influence by mobilizing supply chain partners to jointly participate in the blood donation campaign, collecting a total of 1,356 bags. A total of 64 volunteers, including employees and their family members, participated.</p> <p>2.1.2 Donated an AED (Automated External Defibrillator) to Chimei Hospital to support medical services in underserved rural areas.</p> <p>2.1.3 Contributed to society by enhancing fire-fighting capabilities for special fire scenarios, jointly donating a batch of "high-pressure water mist fire-fighting equipment" to the Chiayi County Fire Bureau in collaboration with industrial park enterprises.</p> <p>2.1.4 Responded to the Minxiong Township Office's "Light Up Minxiong" streetlight adoption initiative, ensuring sustainable nighttime illumination, improving residents' quality of life, and safeguarding life and property.</p> <p>2.1.5 A total of 24 employees and their family members served as volunteers in the "Sustainable Home Charity Bazaar," guided by the SDGs. All proceeds from the charity sale were fully donated to support the construction of the Hualien branch and the long-term care funding for patients in a vegetative state at the Chiayi facility.</p> <p>2.1.6 Demonstrated commitment to social responsibility by purchasing charity products such as toast bread from the "Chiayi City Cerebral Palsy Association," supporting and recognizing the work capabilities of children with cerebral palsy.</p> <p>2.1.7 The Company, together with the "Tsang Yow Charity Foundation," provided funding, materials, and assistance to disadvantaged groups (including the Eden Social Welfare Foundation and Chen Teacher's An-An Home). Through these efforts, the Company encourages broader participation to amplify social impact and extend care to more individuals in need.</p> <p>2.1.8 Supported sports teams in resource-deficient remote schools, providing children with additional platforms for learning and development and opportunities to broaden their perspectives through specialized training, such as the baseball team of Hexing Elementary School in Zhongpu Township, Chiayi County.</p> <p>2.1.9 Supported local marathon events to promote sports culture, including the 2025 29th Zhuluo City Founding 320+1 Chiayi Shuangtan Marathon. The event was themed around Taiwan's native "Blue Maggie" and integrated the United Nations SDG 15 (Life on Land), with employees forming teams to participate and run for environmental protection.</p> <p>2.1.10 Sponsored traditional cultural temple activities.</p> <p>2.1.11 The Company's participation in industry association activities and social engagement is as follows:</p>																		
			<table border="1"> <thead> <tr> <th>Item</th> <th>Name of trade association</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Minxiong Industrial Park Manufacturers' Association</td> </tr> <tr> <td>2</td> <td>Taiwan Transportation Vehicle Manufactures Association</td> </tr> <tr> <td>3</td> <td>Chinese Total Productivity Management Association</td> </tr> <tr> <td>4</td> <td>Chiayi Hsien Industrial Association</td> </tr> <tr> <td>5</td> <td>Chiayi County Police Association</td> </tr> <tr> <td>6</td> <td>Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC)</td> </tr> </tbody> </table>	Item	Name of trade association	1	Minxiong Industrial Park Manufacturers' Association	2	Taiwan Transportation Vehicle Manufactures Association	3	Chinese Total Productivity Management Association	4	Chiayi Hsien Industrial Association	5	Chiayi County Police Association	6	Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC)	
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<p>3. Company Privacy Policy</p> <p>The Company places great importance on the protection of "customer privacy," complies with the Personal Data Protection Act, and has established the "Personal Data Protection Management Procedures and Policies," along with rigorous personal data privacy security management and protection measures. A data governance framework has been implemented, including the establishment of data standards and classification, enforcement of data access control, and a data owner review mechanism, to ensure that data access and sharing are properly governed and protected, and that data availability, integrity, and confidentiality are maintained. The scope of application covers all branches, operating sites, subsidiaries, customers, and suppliers. With respect to the collection, processing, use, and protection of personal data involved in operational processes, the Company complies with relevant government laws and regulations and uses such data strictly within the scope permitted by law. Personal data will not be provided, leased, or otherwise disclosed to third parties. The Company also strictly implements the "Personal Data Protection Management Procedures and Policies" to safeguard customer data security and privacy rights. The Company's implementation of the "Personal Data Protection Management Procedures and Policies" is as follows:</p> <p>3.1 Employee Personal Data Protection Training</p> <p>In 2025, a total of 344 participant attendances completed information security education and training and related assessments. Training content covered trade secret protection, intellectual property protection, and personal data protection. The participation rate of employees reached 100%. The post-training assessment pass rate was 100%.</p> <p>3.2 Supply Chain and Partner Management</p> <p>Confidentiality requirements are stipulated in procurement contracts for 100% of qualified suppliers. A total of 12 supplier audits were conducted in 2025.</p> <p>3.3 Internal Management and Technical Protection</p> <p>In 2025, credit assessments were conducted for 61 transacting customers (once annually).</p> <p>3.4 Incident Response and Risk Management</p> <p>There were 0 personal data complaints, and in the event of any case, responses shall be provided within one day. In 2025, there were zero incidents of violation of the "Personal Data Protection Management Procedures." Employees engaging in improper conduct were subject to disciplinary actions commensurate with the severity of the offense, including measures such as job reassignment or termination.</p> <p>(III) Consumer rights</p> <p>The Company fully honored all contracts signed to ensure its own rights and benefits and the consumers'.</p> <p>(IV) Investors' relations</p> <p>The Company upholds fair and transparent treatment of all shareholders. Every year, the shareholders' meeting is convened in accordance with Company Act and associated regulations by giving the meeting notices to all shareholders. In addition, shareholders are encouraged to involve in proposals of director election or chapter modification in the meeting. All major financial activities including asset dispositions, and loan endorsement, are presented to allow questions from shareholders to ensure the check and balance. All meeting minutes will be preserved properly and disclosed on Market Observation Post System, as stipulated in the shareholders' meeting procedures. Also, to ensure full acknowledgment, participation and decision-making to the major proposals of the Company, the annual report is made available before the shareholders' meeting every year, in addition to the spokesperson and deputy spokesperson who are dedicated to managing suggestions, doubts, and disputes.</p> <p>2. Status of explanatory meetings:</p> <p>On August 27, 2025, the Company held an "online institutional investors conference" at the invitation of CAPITAL SECURITIES CORP. and completed the</p>																		

Promoted Item	Implementation Status (Note 1)			Difference from “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”																								
	Yes	No	Explanation																									
<p>relevant reporting procedures as required.</p> <p>On December 19, 2025, held an “online investor conference” at the invitation of CTBC Securities Co., Ltd. and completed the relevant reporting procedures as required.</p> <p>(V) Human rights</p> <p>The Company’s human rights policy supports and follows the “United Nations Universal Declaration of Human Rights” and other internationally recognized human rights standards and principles as well as the local laws and regulations. The Company has established work rules, attendance and absenteeism management, sexual harassment prevention measures, complaints and disciplinary management measures, etc., as well as other relevant management policies and procedures, which are implemented and disclosed in the annual report or the Company’s website.</p> <p>1. Following regulations from Labor Standards Act and related laws, the Company places importance on the balance among health, work, family and leisure for employees. Accordingly, various events were arranged, including mental health workshops, and aerobic classes. In the meantime, working hours are under close watch with strict prohibition of child labor, any forms of forced labor, and discrimination.</p> <p>2. To reinforce gender equality employment, there is an unpaid-leave mechanism for employees taking parental leave, which takes cares of work reinstatement. In the meantime, employees are entitled to take leave for private matters, such as family care, menstrual needs, giving birth, and paternity reasons. Also, a nursing room is set up inside the Company.</p> <p>(VI) Occupational safety and health</p> <p>The Company complies with government laws and regulations and other applicable international occupational safety and health requirements, and has introduced the ISO 45001:2018 Occupational Health and Safety Management System to strengthen self-management and continuously improve occupational safety and health performance, reduce the occurrence of occupational hazards, and safeguard the safety and health of all personnel under the Company’s control as its responsibility and obligation. The specific actions in 2025 are as follows:</p> <p>1. Environmental, Safety, and Health (EHS) 7S Competition Activities: Through the promotion of EHS competitions and 7S-themed improvement activities, employee awareness and performance in EHS are enhanced. Circular economy concepts are also promoted to improve employees’ knowledge and practices in resource conservation and recycling. The annual activity achievement rate reached 100%.</p> <p>2. Enhancement of Employees’ EHS Knowledge and Safety Awareness: EHS education and training were implemented and extended to indirect personnel to enhance employees’ awareness, knowledge, and practical implementation regarding occupational hazards, thereby reducing workplace accidents. A total of 1,058 participant attendances were recorded for in-person training and drills, and 2,569 participant attendances for online training during the year.</p> <p>3. Health Promotion Activities: By applying for government-sponsored healthy workplace promotion programs and integrating internal and external resources, the Company implemented various health-themed activities to obtain health promotion certification. These efforts optimize health management standards, enhance corporate image, and strengthen employee cohesion, creating a mutually beneficial healthy workplace. Activities included health checkups, fitness programs, work–life balance initiatives, psychosocial courses, stress-relief programs, family-friendly activities, interpersonal communication training, smoking prevention programs, hiking activities, and influenza vaccination programs, with a total of 543 participant attendances during the year.</p> <p>(VII) Other social responsibilities:</p> <p>1. Invest in sustainable development bonds:</p> <p>In 2025, the Company invested in Shinhan Card Co., Ltd.’s social responsibility bond (bond abbreviation: P21SHC1; bond code (ISIN): XS2341140932) with a face value of USD 200,000. The bond has been certified as a green bond by the Taipei Exchange.</p> <p>2. In response to international trends in energy conservation and carbon reduction, and to prepare for future domestic and international regulatory requirements, the Company has established an ISO 50001 Energy Management System and has conducted independent organizational carbon inventories since 2021 to strengthen energy management and analyze energy efficiency. With a vision of achieving low-carbon and net-zero operations, the Company continues to invest in energy-saving equipment, green energy, and related industries. The specific benefits of investments in energy-saving or green energy-related environmental sustainability equipment in 2025 are as follows:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Energy-saving Measures</th> <th>Investment Amount (NTD thousand)</th> <th>Energy Savings (10,000 kWh/year)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Power factor correction capacitor improvements</td> <td>18.9</td> <td>11.4</td> </tr> <tr> <td>2</td> <td>Air compressor pipeline leakage improvements</td> <td>4.8</td> <td>8.0</td> </tr> <tr> <td>3</td> <td>Replacement of beverage vending machines with energy-efficient models</td> <td>0.5</td> <td>2.0</td> </tr> <tr> <td>4</td> <td>Process improvements to reduce machine hours</td> <td>1.2</td> <td>0.6</td> </tr> <tr> <td></td> <td>Total</td> <td>25.4</td> <td>22.0</td> </tr> </tbody> </table>					Item	Energy-saving Measures	Investment Amount (NTD thousand)	Energy Savings (10,000 kWh/year)	1	Power factor correction capacitor improvements	18.9	11.4	2	Air compressor pipeline leakage improvements	4.8	8.0	3	Replacement of beverage vending machines with energy-efficient models	0.5	2.0	4	Process improvements to reduce machine hours	1.2	0.6		Total	25.4	22.0
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Note 1: If “yes” is checked for implementation status, important policies, strategies, measures and execution status shall be described specifically. If “no” is checked, reasons for deviations with responding actions in the future shall be stated under “Difference from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies.” For Item 1 and Item 2, the TWSE/TPEX listed company shall describe sustainable development governance and supervising structure, not limited to management guidance, policy and target formulation and review measures. Additional description shall be made regarding risk management policies or strategies for environmental, social and corporate governance issues due to the Company’s operation.

Note 2: Materiality principle covers issues related to impacts brought by the Company’s operation to environment, society and corporate governance affecting greatly to the investors of the Company and other interest parties.

Note 3: For disclosure, please refer to the official site of Corporate Governance Center, Taiwan Exchange, for best-practice examples.

(VI) Climate-related information for listed and OTC companies:

IFRS S2 Climate-related Disclosures:

In accordance with the framework of International Financial Reporting Standard S2 (IFRS S2), disclosures are made with respect to core content concerning governance, strategy, risk management, metrics, and targets for climate-related risks and opportunities.

Aspect	IFRS S2 Climate-related Disclosures	The Company's Response Measures			
Governance	A. The role of governance bodies in the governance of climate-related risks and opportunities	<ul style="list-style-type: none"> ■ The Company's Sustainable Development Committee reports the annual implementation results and energy-saving performance to the Board of Directors for review and approval at least once a year. ■ The Company's Sustainable Development Committee reports a climate governance report to the Board of Directors at least once a year, for the review and decision-making of various risk management strategies. 			
	B. The role of management in the governance of climate-related risks and opportunities	<ul style="list-style-type: none"> ■ The Company's Environmental and Energy Management Committee, on a rolling basis, compiles international developments and national development trends to review the risks and opportunities to the Company's operations. ■ The Company's Environmental and Energy Management Committee reviews risk and opportunity management and implementation performance annually, and reports to the Sustainability Promotion Committee each year. ■ Each year, through environmental system management review meetings, climate risk and opportunity management issues and response strategies are reported to the General Manager. ■ Daily administrative meetings include climate and environmental protection topics. 			
	A. Climate-related risks and opportunities that could reasonably be expected to affect the entity's outlook	Short-term	Mid-term	Long-term	
		<ul style="list-style-type: none"> ■ Risk issue: Carbon credit offset costs ■ Opportunity issue: New energy vehicle-related products 	<ul style="list-style-type: none"> ■ Risk issues: Strengthened emissions reporting obligations, costs of transitioning to a low-carbon economy, increased stakeholder concerns and negative feedback, and product and service requirements and regulation ■ Opportunity issues: Obtaining public-sector incentive measures and securing new market partnerships 	<ul style="list-style-type: none"> ■ Risk issues: Increased pricing of greenhouse gas emissions (cap-and-trade/carbon tax/energy tax) ■ Opportunity issues: Use of more efficient production and distribution processes 	
	B. Information on the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain	Risk/Opportunity Description	Impact on Business Model		Impact on Value Chain
		Current	Expected	Current	Expected
	Extreme weather events such as typhoons, torrential rain, or flooding	No impact at present	Typhoons, torrential rain, or flooding may damage infrastructure and prolong downtime	No impact at present	Extreme weather may interrupt production or transportation, resulting in material shortages; flooding or road damage may affect transportation and delay supply chain deliveries. Port closures due to severe weather may affect exports.

Aspect	IFRS S2 Climate-related Disclosures	The Company's Response Measures				
		Extreme heat	High temperatures increase the load on cooling systems, resulting in reduced capacity in certain processes and increased energy consumption	Extreme heat may cause equipment overload or cooling systems to fail to operate normally, as well as adjustments in relevant major decisions regarding operational energy management	No impact at present	Extreme heat may interrupt production or transportation, resulting in material shortages
		Carbon fee collection	Production costs increase	The government may introduce stricter environmental regulations or carbon taxes, increasing enterprise costs. Carbon reduction measures may increase production costs and compress profit margins. Competitors may adapt more quickly or adopt carbon reduction measures, affecting market competitiveness. If the enterprise fails to effectively respond to carbon reduction policies, its image may be affected, and it may lose customers with high environmental protection standards.	Production costs therefore increase, affecting the selling prices of downstream products in the value chain	The government may provide subsidies to support enterprises in effectively implementing carbon reduction policies. The adoption of energy-saving technologies may reduce long-term operating costs. Actively promoting carbon reduction and environmental protection measures enhances corporate image and attracts customers and investors with high environmental standards. In response to carbon reduction needs, increased demand for products and services that comply with regulations will prompt enterprises to develop new technologies, which may become new competitive advantages.
		Change in customer behavior	No impact at present	Countries around the world are gradually promoting electric vehicles; the new energy vehicle market is growing, while the fuel vehicle market is shrinking. The transformation of EV technology has become a trend—demand is increasing for single-speed transmissions, high-precision reduction gears integrated with motors, differentials, and e-axle module components. Accordingly, continued investment is required in R&D related to product energy efficiency, low-carbon materials, and new technology development to enhance competitiveness	No impact at present	1. Enhance development technology capabilities to meet the high-precision quality requirements of new energy vehicles. 2. Conduct pre-development risk assessments to reduce the risk of sampling quality failure, so as to maintain market competitiveness and meet customer expectations.

Aspect	IFRS S2 Climate-related Disclosures	The Company's Response Measures				
		Improving energy efficiency	The Company has introduced the concept of a circular economy by reclassifying mixed waste plastics (D-0299), originally general industrial waste, as recyclable waste plastics (R-0201), and converting them into SRF (solid recovered fuel)	It is expected that the Company will continue to invest in and introduce emerging energy-saving and carbon-reduction technologies in the future to expand the scope of applicable energy efficiency improvement measures	By reducing energy consumption in operations, the Company not only helps control operating costs and improve profit margins, but certain corporate customers have also listed the Company as a preferred partner with energy management capabilities, thereby facilitating commercial integration downstream in the value chain	As the Company further introduces energy-saving technologies in the future and cooperates with upstream energy suppliers on energy transition projects, the supply chain will become more energy-efficient; additionally, the Company's brand image will be enhanced as investors and consumers increasingly prefer companies with environmentally friendly policies
		Renewable energy deployment	The Company has independently invested in and established a solar power plant with a total capacity of 913.21 kwp	In the future, self-generation for self-use will be adopted to increase the utilization rate of renewable energy, reduce carbon emissions and the overall carbon footprint, and win customer favor to increase revenue	No impact at present	In the short and medium term, supply chain production costs will increase; in the long term, upstream production costs in the value chain will decrease, thereby affecting downstream product prices in the value chain
C. Information on the effects of climate-related risks and opportunities on the entity's strategy and decision-making	Risk/Opportunity Category	Risk Description	Changes in Business Model and Resource Allocation			
			Current	Expected		
	Physical Risks	Extreme weather events such as typhoons, torrential rain, or drought	Establish water-saving facilities and review emergency response plans		To reduce the impact of drought events, the plant areas are successively investing in water-saving facilities, strengthening water recycling and reuse, and formulating emergency response plans to reduce operational losses caused by disaster risks	
		Extreme heat	Increase assessments and improvements regarding the effects of temperature on equipment and personnel		Upgrade facility materials and process temperature-control capabilities, including investment in automated monitoring and cooling systems	
	Transition Risks	Carbon fee collection	Invest resources in conducting greenhouse gas inventories, including various carbon reduction and energy-saving action plans as described in Section 3.4.1.5		Strengthen the greenhouse gas management system, including investing resources to cover comprehensive greenhouse gas management	
Change in customer behavior		Selling prices are linked to increases in raw material and electricity costs		Through cross-departmental cooperation by the Environmental and Energy Management Committee, implement identification of climate-related risks/opportunities, summarize financial impacts, and formulate response measures		

Aspect	IFRS S2 Climate-related Disclosures	The Company's Response Measures														
		Opportunity	Renewable energy deployment	The Company has independently invested in and established a solar power plant with a total capacity of 913.21 kw	In the future, self-generation for self-use will be adopted to increase the utilization rate of renewable energy, reduce carbon emissions and the overall carbon footprint, and win customer favor to increase revenue											
	<p>D. Information on the effects of climate-related risks and opportunities on the entity's current and anticipated financial position, financial performance, and cash flows</p>	<p>According to the sustainable development roadmap for listed companies, the Company has not yet reached the threshold specified by the competent authority requiring the preparation of sustainability information in accordance with IFRS Sustainability Disclosure Standard S2, and therefore has not comprehensively made climate-related financial disclosures under that standard.</p> <p>However, considering the effects of climate change on the manufacturing industry and the automotive industry supply chain, the Company has preliminarily identified relevant climate risks and opportunities. Therefore, in terms of financial impacts, the expected plans and explanations of their effects on financial performance and cash flows are as follows:</p> <ol style="list-style-type: none"> 1. Short-term plan: Digital carbon management and resilience assessment <ol style="list-style-type: none"> (1) Introduce a digital energy monitoring system to conduct electricity consumption inventories for major critical equipment. (2) Financial impact: Management expenses are expected to increase by approximately 1% to 2%. (3) Cash flow: Expected to remain stable, mainly consisting of expenditures for software and personnel education and training. 2. Mid-term plan: Process optimization and product transformation <ol style="list-style-type: none"> (1) Replace old energy-intensive equipment with high-efficiency equipment to improve yield rates and save energy. (2) Financial impact: Fixed assets will increase and depreciation expenses will rise; through improved production efficiency and reduced electricity costs, gross profit margin is expected to stabilize over the medium and long term. (3) Cash flow: Cash outflows from investing activities due to increased capital expenditures. 3. Long-term plan: Net-zero supply chain and sustainable finance <ol style="list-style-type: none"> (1) Specific measures: Implement a green electricity procurement strategy; achieve full automation of production lines. (2) Financial impact: In terms of revenue—consolidate the Company's international Tier 1 position and ensure long-term revenue growth; in terms of financing—meet green lending conditions, reduce borrowing interest rates, and optimize the financial structure. (3) Cash flow: Continued cash inflows from operating activities, with ample funds. 														
	<p>E. Climate resilience-related climate scenario analysis and assessment</p>	<table border="1"> <thead> <tr> <th>Type</th> <th>Key assumption</th> <th>Selection scenarios</th> <th>Assess the impact and resilience</th> </tr> </thead> <tbody> <tr> <td data-bbox="419 1435 557 1738">Extreme weather events such as typhoons and floods</td> <td data-bbox="557 1435 791 1738">The Company expects to increase the proportion of green electricity consumption to 10% in the short term</td> <td data-bbox="791 1435 1031 1738">1.SSP2-4.5 2.SSP5-8.5</td> <td data-bbox="1031 1435 1458 2083" rowspan="2"> <ol style="list-style-type: none"> 1. Impact assessment: According to the results of scenario analysis, under the very high emissions scenario (SSP5-8.5), the Company faces medium to high levels of immediate and long-term physical risks in the medium and long term; under the medium emissions scenario (SSP2-4.5), the Company is likely in the long term to face immediate physical risks such as typhoons, flooding, and power restrictions due to extreme heat. 2. Resilience capability: The Company's Risk Management Committee and Sustainable Development Committee have already incorporated the results of such scenario analyses into consideration when reviewing relevant plans each year, and have formulated appropriate response measures. </td> </tr> <tr> <td data-bbox="419 1738 557 2083">Extreme heat</td> <td data-bbox="557 1738 791 2083"></td> <td data-bbox="791 1738 1031 2083"></td> </tr> </tbody> </table>	Type	Key assumption	Selection scenarios	Assess the impact and resilience	Extreme weather events such as typhoons and floods	The Company expects to increase the proportion of green electricity consumption to 10% in the short term	1.SSP2-4.5 2.SSP5-8.5	<ol style="list-style-type: none"> 1. Impact assessment: According to the results of scenario analysis, under the very high emissions scenario (SSP5-8.5), the Company faces medium to high levels of immediate and long-term physical risks in the medium and long term; under the medium emissions scenario (SSP2-4.5), the Company is likely in the long term to face immediate physical risks such as typhoons, flooding, and power restrictions due to extreme heat. 2. Resilience capability: The Company's Risk Management Committee and Sustainable Development Committee have already incorporated the results of such scenario analyses into consideration when reviewing relevant plans each year, and have formulated appropriate response measures. 	Extreme heat					
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Aspect	IFRS S2 Climate-related Disclosures	The Company's Response Measures																		
		Carbon fee collection		<p>Net Zero Emissions by 2050 Scenario (NZE)</p> <p>1. Impact assessment: According to the results of scenario analysis, under the Net Zero Emissions by 2050 Scenario (NZE), the Company is likely to face the risk of carbon fee collection in the short, medium, and long term; as for changes in customer behavior, medium- and long-term risks may gradually decline as consumers' environmental awareness gradually rises.</p> <p>2. Resilience capability: The Company will strengthen its greenhouse gas management system, including investing resources to cover product carbon footprints and comprehensive greenhouse gas management, and reallocate capital expenditures to</p>																
Risk management	Processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities	<p>Risk management policies and procedures have been established and approved by the Board of Directors.</p> <ul style="list-style-type: none"> ■ Internal operating procedures have been established, and criteria for assessing the severity of risk impacts have been set. ■ Decision-making models regarding climate risk/opportunity issues and risk response matters have been completed for each department. ■ ISO 14001 third-party verification is carried out annually, and internal greenhouse gas inventories are conducted annually (self-inventories without external verification). ■ The Company conducts annual energy/resource risk and management performance surveys. ■ The Environmental and Energy Management Committee compiles international developments and national development trends on a rolling basis to review risks and opportunities to the Company's operations. ■ Each year, through environmental system management review meetings, risk/opportunity management and implementation performance are reviewed and reported to the General Manager. ■ Daily administrative meetings include climate and environmental protection issues. <table border="1" data-bbox="705 1245 1329 2033"> <tr> <td data-bbox="419 1245 705 1458">Probability of occurrence</td> <td data-bbox="705 1245 916 1458"></td> <td data-bbox="916 1245 1126 1458"></td> <td data-bbox="1126 1245 1329 1458"></td> </tr> <tr> <td data-bbox="419 1458 705 1619">Very likely</td> <td data-bbox="705 1458 916 1619"></td> <td data-bbox="916 1458 1126 1619" style="background-color: #cccccc;"> <ul style="list-style-type: none"> ◆ Carbon fee collection ◆ Change in customer behavior </td> <td data-bbox="1126 1458 1329 1619"></td> </tr> <tr> <td data-bbox="419 1619 705 1839">Likely</td> <td data-bbox="705 1619 916 1839"></td> <td data-bbox="916 1619 1126 1839" style="background-color: #cccccc;"> <ul style="list-style-type: none"> ● Extreme weather events such as typhoons, floods, and droughts ● Extreme heat </td> <td data-bbox="1126 1619 1329 1839"></td> </tr> <tr> <td data-bbox="419 1839 705 2033">Almost unlikely</td> <td data-bbox="705 1839 916 2033"></td> <td data-bbox="916 1839 1126 2033"></td> <td data-bbox="1126 1839 1329 2033"></td> </tr> </table> <p style="text-align: center;">Low Medium High Impact Level</p>			Probability of occurrence				Very likely		<ul style="list-style-type: none"> ◆ Carbon fee collection ◆ Change in customer behavior 		Likely		<ul style="list-style-type: none"> ● Extreme weather events such as typhoons, floods, and droughts ● Extreme heat 		Almost unlikely			
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Aspect	IFRS S2 Climate-related Disclosures	The Company's Response Measures						
Indicators and Targets	A. Information relevant to cross-industry metric categories (climate-related metrics) – (1) Climate-related metrics related to greenhouse gases	<ul style="list-style-type: none"> ■ The Company began conducting voluntary organizational carbon inventories in 2021. ■ It is expected to complete ISO 14064-1 verification in 2026. ■ Electricity energy use will be reduced by 1% each year. Since 2021, the Company has conducted voluntary organizational carbon inventories in accordance with ISO 14064-1 (without third-party verification). The greenhouse gas emissions for 2025 (unit: metric tons CO ₂ e) are as follows: (0324 first draft)						
		Scope 1: 212.6538	Scope 2: 2,988.9808	Scope 3: 1,402.2935				
	A. Information relevant to cross-industry indicators (climate-related indicators) - (2) Remuneration	To strengthen senior executives' awareness of climate-related risk management, the Company links their performance evaluation to the Company's climate targets. By continuously tracking the implementation results of medium- and long-term goals, the remuneration paid to the General Manager and senior executives is based on the Company's long-term operating performance and shareholders' interests. Under the premise that managers are not incentivized to engage in activities exceeding the Company's risk tolerance in pursuit of remuneration, bonuses are determined based on corporate operating performance. Such bonuses take into account the performance evaluation items of managers. Performance measurement standards: the performance of the Company's General Manager and senior executives is primarily measured by ensuring the achievement of the Company's profit targets and the soundness of its financial structure. Each year, target values are set based on the annual budget approved by the Board of Directors, and each senior executive is responsible for implementation and achievement. To encourage the General Manager and senior executives to focus on long-term comprehensive performance and achieve sustainable operations, remuneration is linked to ESG-related performance evaluation indicators. The evaluation items include professional and management objectives (80%, such as financial performance, operating revenue, digital transformation, adherence to product schedules, and the implementation of key ESG sustainability initiatives) and management indicators (20%, such as performance in promoting improvements through functional committees, diversified business development, leadership capabilities, and talent development).						
	B. Information on Industry-based Metrics	The industry-based metrics relevant to the Company's specific business model, activities, and other common characteristics in the "Automotive Parts Manufacturing" industry are as follows:						
		Strategic Goals	Topic	Metrics				
			Indicator	Type	Unit of measurement	Code	Amount/Description	
	Carbon Neutral by 2050	Energy management	(1) Total energy consumption, (2) percentage of grid electricity, and (3) percentage of renewable energy	Quantitative	Gigajoules (GJ), percentage (%)	TR-AP-130a.1	22,666(GJ) 100%	
C. Disclosure of Information on Climate-related Risk or Opportunity Targets Set (Climate-related Targets)	<ul style="list-style-type: none"> ■ The Company has formulated climate-related performance indicators and quantitative targets, regularly tracks and reviews the achievement rate, and discloses them in the sustainability report. ■ Adaptation actions: continue strengthening the emergency response system for extreme weather; implement Corporate Governance 3.0 and response measures for international carbon control mechanisms; continue enhancing corporate climate resilience. ■ Mitigation actions: short-, medium-, and long-term carbon reduction targets and response strategies, with regular review of improvement performance through the Environmental and Energy Committee. 							
	Carbon Emissions and Energy Management Targets	Product Energy Efficiency Improvement Targets		Waste Management Targets		Water Resource Management Targets		
	Expected to obtain ISO 14064-1 third-party verification in 2026	Annual reduction of electricity energy consumption by 1%		Waste generation to be reduced by 10% compared with the previous year		Water consumption to be reduced by 10% compared with the previous year		

1. Implementation Status of Climate-related Information

Item	Implementation Status																		
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>To respond to the high uncertainty of climate and the rapid changes in policies and markets, and to timely grasp and estimate the possible impacts caused by climate change, the Environmental and Energy Management Committee reviews risk and opportunity management and implementation performance annually, and reports to the Sustainability Promotion Committee each year.</p> <p>A “Sustainable Development Committee” has been established under the Board of Directors, composed of two Board members with professional knowledge and capabilities in corporate sustainability and one convener, totaling three members. It convenes at least once a year and is responsible for formulating, promoting, and strengthening action plans for the Company’s major sustainable development policies (including climate-related issues), reviewing, tracking, and revising the implementation and effectiveness of sustainable development, and reporting to the Board of Directors at least once a year. The Risk Management Team is responsible for the Company’s risk management policies and procedures, including climate-related risk issues, the latest regulatory requirements on industry climate risks, and updates to the identification results of climate risks and opportunities. The Risk Management Team established the “Risk Management Policy and Procedures” on November 6, 2024, incorporating climate change risk management into the Company’s overall risk management process.</p>																		
2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the company (short-term, medium-term, long-term).	<p>The Company is actively developing solutions in the hope of reducing the operational and financial impacts brought by climate change and enhancing organizational climate resilience. The Company defines short term as within 3 years, medium term as 3 to 5 years, and long term as more than 5 years, and evaluates the potential operational and financial impacts of relevant climate risks and opportunities on the Company in order to plan actions to respond to climate-related risks and opportunities.</p>																		
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3. Describe the financial impacts of extreme climate events and transition actions	<p>Financial Impacts of Extreme Climate Events</p> <p>Through internal discussions, inventory, and evaluation, the Company has identified floods, droughts, changes in precipitation patterns, and extreme climate pattern changes as having potential risks to the production or transportation stages. Flooding caused by heavy rainfall may lead to shutdowns at operating sites and equipment damage, resulting in temporary inability to ship goods; while drought and water shortages may affect the normal operation of production lines. In times of water shortage, supply must be maintained by reducing water</p>																		

Item	ImplementationStatus
	<p>use, transporting water across regions by water trucks, or reallocating goods from other plants, thereby increasing operating costs. To reduce the impact of drought events, the plant areas are successively investing in water-saving facilities, strengthening water recycling and reuse, and formulating emergency response plans to reduce operational losses caused by disaster risks.</p> <p>For the risks of flooding caused by typhoons, changes in precipitation patterns, and extreme changes in climate patterns, the Company analyzes the operational and financial impacts on each site. Under such scenarios, the analysis results show that the risks borne by the Company will all increase.</p> <p>The Company will continue to improve its physical risk scenario analysis and assess changes in risks at its operating sites. In addition, besides evaluating existing risk issues, it also plans to include high-temperature risks, so as to strengthen the Company’s climate adaptation management and strategy.</p> <p><u>Financial Impacts of Transition Actions</u></p> <p>Under transition risks, the transition to a low-carbon economy may involve extensive changes in policies and regulations, technology, and markets. Depending on the nature, speed, and focus of the foregoing changes, within the analyzed time horizon, carbon fees and greenhouse gas cap-and-trade, renewable energy regulatory requirements, and changes in consumer preferences may increase operating costs or reduce sales volume. Considering that the Company currently already has sales of certain low-carbon products and continues to conduct R&D innovation and expand the diversity of related products, market sales under each scenario have not been significantly affected. Therefore, the Company focuses on the analysis of operating costs. Under a low-carbon transition scenario, carbon pricing will financially affect the Company by increasing the Company’s own operating costs and supply chain costs.</p> <p>The Company addresses such transition risks by introducing energy-saving and carbon-reduction projects to minimize the impacts of energy consumption, water consumption, and waste on climate across operations and the supply chain; improving energy efficiency; investing in green energy equipment; and investing in green product R&D and innovation to meet consumer needs. This project will result in increased capital investment and operating costs for the Company itself.</p>
<p>4. Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.</p>	<p>The Board of Directors is the highest decision-making body for the Company’s risk control and directly supervises the Company’s risk governance structure. To improve risk assessment and strengthen management functions, on November 6, 2024, the Board of Directors resolved to establish a Risk Management Team under the “Sustainable Development Committee,” responsible for identifying and managing the risks of corporate operations, including the physical and transition risks that climate change may bring, and leading the planning of relevant response measures. The Company has also established the “Risk Management Policy and Procedures” to control the risks that may arise from various businesses within an acceptable range and to establish sound risk management operating principles. Based on the scope of business of each department, the Risk Management Team conducts risk identification and analysis in six major aspects—operations, strategy, finance, information, compliance, and hazards—and updates the annual major risk identification matrix. Based on the results of risk identification, each department formulates response strategies to integrate and manage risks that may affect operations and profitability. At least once a year, the Risk Management Team reports to the Board of Directors on management implementation and risk control, and supervises, tracks, and reviews the management team’s implementation of risk management, with a view to strengthening the Company’s resilience.</p>
<p>5. If a scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used should be described.</p>	<p>Although scenario analysis cannot predict the future, it enables the Company to better understand how climate change may affect the Company. In essence, scenario analysis is an important tool for strategic planning, risk management, and assessing the flexibility of the Company’s strategy. The Company conducts qualitative and quantitative analysis of climate models across the value chain to assess resilience to climate change risks under different external conditions.</p> <p>The Company will carry out scenario considerations for climate risk analysis in accordance with the TCFD disclosure framework. The Company will separately analyze risks and opportunities arising under different scenarios from aspects such as policy, regulatory, market changes, and physical risks that may arise. Relevant parameters, assumptions, analysis factors, and major financial impacts will be discussed through scenario analysis, and the results will be published on the Company’s official website once finalized.</p>
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>In order to achieve the 2050 net-zero carbon emissions target and respond to carbon reduction requirements in the international supply chain, the Company will, based on the carbon inventory results of this plan, promote carbon reduction efforts in operational and manufacturing processes through internal self-reflective review. Within the Company’s organizational structure, employees from departments with similar operational nature or highly related operating processes will be integrated to form a low-carbon working group, cultivate seed personnel with carbon inventory capabilities, and promote the Company’s carbon inventory and subsequent carbon reduction matters, making the Company one of the benchmark low-carbon enterprises.</p> <p>The Company has formulated a low-carbon transition plan, which will separately reduce</p>

Item	Implementation Status
	<p>direct emissions from operating activities (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions from the value chain (Scope 3). The implementation includes:</p> <ol style="list-style-type: none"> 1. Continue proactively reducing carbon emissions: develop advanced technologies, improve energy productivity and efficiency of use, and minimize carbon emissions from manufacturing and product use stages. 2. Adopt renewable energy: substantially increase the proportion of renewable energy used and promote it throughout the value chain, supporting the low-carbon energy transition through concrete action. 3. More efficient new processes: apply lean management in manufacturing processes to reduce waste in the process, optimize process efficiency, achieve the effect of new processes, replace equipment with more environmentally friendly manufacturing processes, and gradually shift product processes toward low-carbon technologies. <p>The results will be published on the Company's official website once finalized.</p>
<p>7. If internal carbon pricing is used as a planning tool, disclose the basis for pricing.</p>	<p>Starting from 2025, the Company, with reference to the Ministry of Environment's "Carbon Fee Collection Regulations," has established an internal carbon pricing (ICP) of USD10 per metric ton to evaluate the internal carbon fee mechanism and apply it to energy-saving and carbon-reduction projects and renewable electricity, while also encouraging investment in negative-carbon technologies and low-carbon innovation, thereby promoting stronger carbon reduction efforts across global sites.</p> <p>Each site successively applies the internal carbon fee mechanism to assess self-generation and self-consumption solar power plants, improving efficiency and reliability. In 2025, the Company implemented a total of 10 energy-saving plans, saving more than 200,000 kWh of electricity, equivalent to reducing carbon emissions by more than 95 metric tons (tCO₂e).</p> <p>Through the joint efforts of all employees, in 2024 the Company's total Scope 1 and Scope 2 carbon emissions had been reduced by 1,437.9 metric tons (tCO₂e) compared with 2021, the first year of carbon inventory, demonstrating the substantive benefits of the ICP mechanism for energy saving and carbon reduction.</p> <p>In addition, based on a preliminary internal carbon pricing mechanism assessment, the reduction in potential external carbon costs due to reduced carbon emissions is approximately USD143.79 (calculated at USD10 per metric ton).</p>
<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>The Company has long been committed to environmental protection and expects to create a harmonious win-win for the economy and the environment through a green operating model featuring "maximum production efficiency and minimum environmental impact."</p> <p>At the current stage, the Company does not use the purchase of renewable energy certificates as a carbon reduction method. At present, renewable energy will primarily be adopted through self-generation and self-consumption in the future, and the Company is inventorying available spaces at each operating site to successively install renewable energy generation equipment. The Company has invested in and established its own solar power plant with a capacity of 913.21 kWp, thereby increasing the use of renewable energy, reducing carbon emissions and overall carbon footprint, and enhancing customer preference to increase revenue.</p> <p>Targets used to manage climate-related risks and opportunities, and performance in achieving those targets:</p> <ol style="list-style-type: none"> 1. The Company has established climate-related performance indicators and quantitative targets, regularly tracks and reviews the achievement rate, and discloses them in the sustainability report. 2. Adaptation actions: Continue to strengthen the emergency response system for extreme weather; implement Corporate Governance 3.0 and response measures for international carbon control mechanisms; continue to enhance corporate climate resilience. 3. Mitigation actions: Establish short-, medium-, and long-term carbon reduction targets and response strategies, and regularly review improvement performance through the Environmental and Energy Committee. <p>* Carbon emissions and energy management target: Expected to obtain ISO 14064-1 third-party verification in 2026 * Product energy efficiency improvement target: Annual reduction of electricity energy consumption by 1% * Waste management target: Waste generation to be reduced by 10% compared with the previous year * Water resource management target: Water consumption to be reduced by 10% compared with the previous year</p> <p>Please refer to the Company's official website for detailed contents and achievement status.</p>
<p>9. GHG inventories and assurances, as well as reduction targets, strategies, and concrete action plans (complete 1-1 and 1-2 separately).</p>	<p>As of the printing date of the annual report, the Company does not fall within the category of companies meeting the specified conditions, and will gradually proceed in accordance with the requirements of the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies."</p> <p>Please refer to 1-1 for the Company's greenhouse gas inventory and assurance status for the most recent two years.</p>

1-1 Greenhouse gas inventory and assurance of the Company for the most recent two years

1-1-1 Greenhouse gas inventory information

State the greenhouse gas emissions (metric tons CO₂e), intensity (metric tons CO₂e / NT\$ million), and data coverage for the most recent two years.

Data coverage required to be disclosed in accordance with the Sustainable Development Roadmap for TWSE/TPEX Listed Companies:

1. Greenhouse gas inventory and assurance (parent company only):
 - (1) Starting from 2026, annual reports announced each year shall disclose greenhouse gas inventory information for the previous year.
 - (2) Starting from 2028, the assurance status of the previous year's inventory information shall be continuously disclosed each year.
2. Greenhouse gas inventory and assurance (consolidated company):
 - (1) Starting from 2027, annual reports announced each year shall disclose greenhouse gas inventory information for the previous year.
 - (2) Starting no later than 2026 as the base year, the annual report shall continuously disclose the greenhouse gas reduction targets, strategies, specific action plans for the year of announcement, and the achievement status of the previous year's reduction targets.
 - (3) Starting from 2029, the assurance status of the previous year's inventory information shall be continuously disclosed each year.

The Company upholds the philosophy of sustainable operations and fulfillment of corporate responsibility, is concerned about global warming and climate change trends, and complies with government policies. 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 the ISO 14064-1 greenhouse gas inventory standard issued by the International Organization for Standardization (ISO), the Company conducts systematic greenhouse gas emissions inventories, establishes emissions registers, and promotes verification procedures, in order to accurately understand the Company's greenhouse gas emissions and provide a reference for subsequent greenhouse gas reduction work, with the aim of contributing to the mitigation of global warming trends.

Since 2021, the Company has conducted annual inventories of greenhouse gas emissions for the parent company only, comprehensively tracking greenhouse gas usage and emissions and verifying the effectiveness of reduction actions. In addition, the greenhouse gas inventory data for the most recent two years have been aggregated on the basis of the operational control approach and include the Company's greenhouse gas emissions, as described below:

Coverage		Unit	2023	2024	2025 (first edition March 24, 2026)
The Company (Zhongshan Plant, Zhongshan Plant II, Zhongshan Plant III, Cheng Gong Plant I, employee dormitories)	Scope 1	tCO ₂ e	188.9944	194.2539	212.6538
	Scope 2	tCO ₂ e	3,460.5382	3,217.3997	2,988.9808
	Scope 3	tCO ₂ e	1,662.5603	1,536.4127	1,402.2935
	Sub-total	tCO ₂ e	5,312.0929	4,948.0660	4,603.9280
	Intensity	tCO ₂ e / Revenue (NT\$ million)	4.3930	4.6860	4.4030

Company website:

1. ESG \ E Environmental Sustainability
https://www.tsangyow.com.tw/page9_2.php?vv=eyJwZyI6Mn0=
2. ESG \ Download Section \ Greenhouse Gas Inventory Report
https://www.tsangyow.com.tw/page9_5.php?vv=eyJwZyI6NX0=

Note 1: Direct emissions (Scope 1, i.e., direct emissions from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions resulting from purchased electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions generated from the Company's activities that are not energy indirect emissions but originate from sources owned or controlled by other entities).

Note 2: The data coverage for direct emissions and energy indirect emissions shall be handled in accordance with the schedule prescribed by the competent authority pursuant to Paragraph 2, Article 10 of these Regulations; information on other indirect emissions may be disclosed voluntarily.

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

Note 4: Greenhouse gas emission intensity may be calculated per unit of product/service or per unit of revenue; however, at a minimum, data calculated based on revenue (NT\$ million) shall be disclosed.

1-1-2 Greenhouse gas assurance information

Describe the assurance status for the most recent two years as of the annual report publication date, including the scope of assurance, assurance institution, assurance standards, and assurance opinion.

According to FSC Order Jin-Guan-Zheng-Fa-Zi No. 11203852314 dated November 3, 2023, the Company is currently a TPEX-listed company with paid-in capital of less than NT\$5 billion, and will complete disclosure in accordance with the timetable prescribed by the competent authority.

2024 was the fourth year in which Tsang Yow Industrial Co., Ltd. conducted a greenhouse gas inventory. In order to improve the credibility of the Company's 2024 greenhouse gas inventory information and report, and at the same time enhance the data quality of the Company's greenhouse gas inventory, the Company commissioned Chyun Heng Consultant Co. to conduct internal verification, and plans to conduct external verification of the greenhouse gas inventory in 2026 to strengthen the reliability of the Company's greenhouse gas inventory data.

Note 1: This shall be handled in accordance with the timetable prescribed under Article 10, Paragraph 2 of these Standards. If the Company has not obtained a complete greenhouse gas assurance opinion by the printing date of the annual report, it shall state that "complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall state that "complete assurance information will be disclosed on the Market Observation Post System," and complete assurance information shall be disclosed in the following year's annual report.

Note 2: The assurance institution shall comply with the relevant regulations on sustainability report assurance institutions prescribed by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

1-2 Greenhouse gas reduction targets, strategies, and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans, and the achievement status of reduction targets.

According to FSC Order Jin-Guan-Zheng-Fa-Zi No. 11203852314 dated November 3, 2023, the Company is currently a TPEX-listed company with paid-in capital of less than NT\$5 billion, and will complete disclosure in accordance with the timetable prescribed by the competent authority.

In order to achieve the 2050 net-zero carbon emissions target and respond to carbon reduction requirements in the international supply chain, the Company will, based on the carbon inventory results of this plan, promote carbon reduction efforts in operational and manufacturing processes through internal self-reflective review. Within the Company's organizational structure, employees from departments with similar operational nature or highly related operating processes will be integrated to form a low-carbon working group, cultivate seed personnel with carbon inventory capabilities, and promote the Company's carbon inventory and subsequent carbon reduction matters, making the Company one of the benchmark low-carbon enterprises.

The Company has formulated a low-carbon transition plan, which will separately reduce direct emissions from operating activities (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions from the value chain (Scope 3).

The implementation includes:

1. Continue proactively reducing carbon emissions: develop advanced technologies, improve energy productivity and efficiency of use, and minimize carbon emissions from manufacturing and product use stages.
2. Adopt renewable energy: substantially increase the proportion of renewable energy used and promote it throughout the value chain, supporting the low-carbon energy transition through concrete action.
3. More efficient new processes: apply lean management in manufacturing processes to reduce waste in the process, optimize process efficiency, achieve the effect of new processes, replace equipment with more environmentally friendly manufacturing processes, and gradually shift product processes toward low-carbon technologies.

2025 Scope 3 Categories of Greenhouse Gas Emissions and Annual Emissions: (First draft as of 2026.03.24)

In accordance with the guidance requirements of ISO 14064-1:2018, the operational control approach was adopted to inventory direct greenhouse gas emission sources (Category 1), energy indirect greenhouse gas emission sources (Category 2), and other indirect greenhouse gas emission sources (Categories 3 to 6) related to operations within the organizational boundary (including the Company and subsidiaries included in the consolidated financial statements). The greenhouse gases covered include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). In 2025, the Company's direct greenhouse gas emissions (Category 1) were 212.6538 metric tons CO₂e, energy indirect greenhouse gas emissions (Category 2) were 2,988.9808 metric tons CO₂e, and other indirect greenhouse gas emissions (Categories 3 to 6) were 1,402.2935 metric tons CO₂e. Details of emissions by category are as follows:

Details of Indirect Greenhouse Gas Emissions (Categories 3 to 6, including subcategories)	Emissions (metric tons CO ₂ e)
Category 3: Indirect greenhouse gas emissions from transportation	498.2677 metric tons CO ₂ e
3.1 Emissions from upstream transportation and distribution of goods	22.4857 metric tons CO ₂ e
3.2 Emissions from downstream transportation and distribution of goods	333.154 metric tons CO ₂ e
3.3 Emissions from employee commuting	110.4727 metric tons CO ₂ e

3.4 Emissions from transportation of customers and visitors	Not material
3.5 Emissions from business travel	14.6897 metric tons CO ₂ e
Category 4: Indirect GHG emissions from products used within the organization	907.0258 metric tons CO ₂ e
4.1 Emissions from purchase of goods	646.0076 metric tons CO ₂ e
4.2 Emissions of capital goods	Not material
4.3 Emissions from processing solid and liquid waste	261.0182 metric tons CO ₂ e
4.4 Emissions from asset use	Not material
4.5 Emissions generated from services not described in the above subcategories	Not material
Category 5: Downstream greenhouse gas emissions from the organization's products	Not material
5.1 Emissions or cleansing during the product use stage	Not material
5.2 Emissions from downstream leased assets	Not material
5.3 Emissions at product end-of-life	Not material
5.4 Emissions from investment	Not material
Category 6: Indirect greenhouse gas emissions from other sources	Not material
<p>The results will be announced on the Company's official website:</p> <p>1. ESG \ E Environmental Sustainability https://www.tsangyow.com.tw/page9_2.php?vv=eyJwZyI6Mn0=</p> <p>2. ESG \ Download Section \ Greenhouse Gas Inventory Report https://www.tsangyow.com.tw/page9_5.php?vv=eyJwZyI6NX0=</p>	

Note 1: Shall be processed according to the schedule stipulated in the order issued pursuant to Paragraph 2 of Article 10 of these Rules.

Note 2: The base year should be the year in which the consolidated financial statements were completed, as per Paragraph 2 of Article 10 of the Guidelines. For example, companies with a capital of NT\$10 billion or more were required to complete the inventory of their consolidated financial statements for 2024 by 2025, according to the order stipulated in Paragraph 2 of Article 10 of the Guidelines. Therefore, the base year is 2024. If a company completed the inventory earlier, that earlier year may be used as the base year. Additionally, the data for the base year may be calculated based on a single year or the average of multiple years.

Performance of ethical corporation management and the differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Evaluation item	Operation status (Note 1)		Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
<p>I. Establishment of policies and plans for ethical corporate management</p> <p>(I) Does the Company have an ethical corporate management policy approved by the Board with clearly statements about the related policy and practice in the internal regulations and external documents, as well as the commitment from the Board and senior management for the implementation?</p>	V		No difference
<p>(II) Has the Company established an evaluation mechanism for the risk of unethical behaviors, regularly analyzed and evaluated the business activities with high risks of such behaviors within the business scope, and formulated a plan for prevention accordingly, which covers the preventive measures for the behaviors described in Article 7-2 under “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”?</p>	V		
<p>(III) Does the Company stipulate the operation procedures, behavior guidelines, and disciplinary and grievance system in its unethical behavior prevention plan for thorough implementation, followed by regular review and revision of the plan?</p>	V		
<p>II. Implementation of ethical corporate management</p> <p>(I) Does the Company access the ethical corporate management records of its counterparties and specify the ethical</p>	V		No difference

Evaluation item	Operation status (Note 1)		Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
<p>corporate management terms in the contracts it enters into with them?</p> <p>(II) Has the Company set up a dedicated unit under the Board to promote ethical corporate management and regularly (at least once a year) report to the directors the related policies and plans to prevent unethical behaviors, as well as its supervision of the implementation?</p> <p>(III) Does the Company have a prevention policy dealing with conflict of interest and provide appropriate channels for the specific explanation, with full execution?</p> <p>(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has the internal audit unit, based on the assessment results of the risk of unethical behavior, drawn up relevant audit plans to check the preventive status for unethical behavior accordingly or entrusted an independent auditor for</p>	<p>V</p> <p>V</p> <p>V</p>	<p>in the contracts it enters into with them to require thorough ethical conducts from the dealing parties. Any violation, the signed contract can be terminated or cancelled immediately.</p> <p>(II) The “Corporate Governance Working Group” is under the Sustainable Development Committee. It comprises the Company’s internal ESG-related business units and is responsible for managing ethical conduct to achieve the policies, plans, and goals set by the Sustainable Development Committee. The working group regularly reports implementation progress to the Sustainable Development Committee. The responsibilities of each team member are divided as follows:</p> <p>(1) General Manager’s Office: Responsible for the revision, interpretation, and consultation services of procedures related to ethical corporate management.</p> <p>(2) Heads of all departments: Shall fulfill the duty of care of a good administrator and regularly pay attention to unreasonable expenditures.</p> <p>(3) Human resources unit: Responsible for promoting the Company’s integrity policies and advancing related training.</p> <p>(4) Audit Office: Responsible for auditing compliance with the relevant systems and preparing audit reports for submission to the Board of Directors.</p> <p>The implementation status of ethical corporate management for 2025 was reported to the Board of Directors on November 6, 2025 and disclosed on the Company’s official website.</p> <p>(III) Policies for preventing conflict of interest are clearly stipulated in “Procedures for Ethical Management and Guidelines for Conduct” and “Code of Conduct.” To avoid compromising the Company’s rights and interests for personal benefits, if a violation of integrity requirements is discovered, a report may be made in accordance with the Company’s “Whistleblowing Measures for Violations of Ethical Conduct and Ethical Corporate Management,” and the relevant reporting channels have been disclosed on the Company’s official website. Those who are reported have rights and chances for explanation or appeal.</p> <p>(IV) The Company has established effective accounting and internal control systems that are reviewed and modified periodically. There are designated personnel dedicated to auditing both systems to provide improvement comments, ensuring the efficacy of the design and implementation, and creating associated reports for the Audit Committee and the Board. In addition, the Company has commissioned Deloitte Taiwan to review and audit the financial statements regularly.</p>	

Evaluation item	Operation status (Note 1)			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Explanation	
the work? (V) Does the Company regularly conduct internal and external sessions for ethical corporate management?	V		(V) The Company has established a “Code of Ethical Conduct” and “Ethical Corporate Management Best Practice Principles” and actively strengthens communication and promotion with employees. Status of the Company’s internal and external education and training on ethical corporate management: In 2025, the Company conducted internal and external education and training related to ethical corporate management topics (including courses related to compliance with ethical corporate management regulations, personal data protection, protection of trade secrets and intellectual property rights, accounting systems and internal control, etc.), with a total of 335 participant attendances and a total of 301 training hours.	
III. Status of the Company's Whistleblower System (I) Has the company established specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers? (II) Has the Company established the standard operating procedures for investigation of accused matters, followed-up measures after investigation and the relevant confidentiality mechanism? (III) Does the Company take measures to protect the whistleblower from improper treatment due to the reporting?	V V V		III. (I) As described under “Whistleblowing measure for unethical conducts and anti-ethical corporate management,” reporting for illegal or unethical conducting is highly encouraged. To demonstrate the commitment from the Company, there are reporting channels available in both internal and external networks with dedicated personnel from the HR Department and the Audit Office taking care of reporting from the employees and external interest parties. (II) As described under “Whistleblowing measure for unethical conducts and anti-ethical corporate management,” confidentiality of whistleblower identity and details of the reporting is highly protected, with description on investigation procedures and follow-up measures afterward. (III) As described under “Whistleblowing measure for unethical conducts and anti-ethical corporate management,” whistleblowers are protected and will not receive undue treatments due to reporting.	No difference
IV. Enhancing Information Disclosure Does the Company disclose the details and advocacy effects of its ethical corporate management best-practice principles on its website and the MOPS?	V		IV. The Company has established the “Ethical Corporate Management Best Practice Principles” and the “Operating Procedures for Ethical Corporate Management and Guidelines for Conduct.” Each year, the implementation status of ethical corporate management is regularly reported to the Board of Directors (the most recent reporting date was November 6, 2025), and the relevant policies and practices are disclosed on the Company’s website, annual report, and sustainability report.	No difference
V. If the Company has its own ethical corporate management best-practice principles in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies,” please state the implementation status and the difference: No significant difference.				

Evaluation item	Operation status (Note 1)		Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
<p>VI. Other important information helpful to understand the Company's ethical corporate management operation:</p> <ol style="list-style-type: none"> 1. The Company complies with Company Act, Securities and Exchange Act, and all regulation applied to TWSE/TPEX listed companies. 2. To prevent conflicts of interest and provide appropriate reporting channels, the Company has established the "Ethical Corporate Management Best Practice Principles," "Operating Procedures for Ethical Corporate Management and Guidelines for Conduct," "Code of Ethical Conduct," "Whistleblowing Measures for Violations of Ethical Conduct and Ethical Corporate Management," and "Procedures for Handling Material Inside Information," all of which have been approved by the Board of Directors and announced on the Company's internal and external websites. These specifically regulate matters to which the Company's personnel, including directors, managers, employees, or persons having substantial control, shall pay attention in the execution of business. 3. The Company arranges for directors and managers to participate in corporate governance courses in a timely manner, and to convey the importance of ethical conduct. By doing this, the Company is able to improve the effectiveness of corporate governance and implement ethical management. 4. Implementation status in 2025: <ol style="list-style-type: none"> (1) The Sustainability Promotion Committee was established, with a Corporate Governance Group under it to manage ethical corporate management. (2) The Company pays attention to changes in laws and regulations and continues to promote to directors, managers, and employees laws and regulations and internal rules such as "Prevention of Insider Trading," "Operating Procedures for Ethical Corporate Management and Guidelines for Conduct," "Code of Ethical Conduct," and "Ethical Corporate Management Best Practice Principles." (3) The Audit Office continues to inspect internal and external whistleblowing mailboxes and audits dishonest or unethical cases in accordance with relevant measures. (4) The Company integrates its ethical corporate management policy into commercial contracts and the Supplier Handbook to inform stakeholders. (5) Implementation of the "Employee Agreement": Incumbent and newly hired employees are all required to sign the agreement to communicate the ethical integrity standards to be observed by employees, prohibition of bribery, and other matters. (6) As of the present date this year, the dedicated responsible units have not received any reports or complaints regarding dishonest or unethical conduct. 			

Note 1: Operation status, whether "Yes" or "No" is checked, shall be described in the summary description fields.

(VIII) Other important information to improve the understanding of the operation of corporate governance:

The management team makes quarterly business reporting to the Board to assist in decision-making for major operation issues.

(IX) Disclosure for the implementation of internal control system:

1. Statement of Internal Control: as shown on the following page
2. The audit report from the external report shall be presented if the audit of internal control system is conducted by an external auditor: Not applicable.

TSANG YOW INDUSTRIAL CO.,LTD.
Statement of Internal Control System

Date: March 9, 2026

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

- I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system are the responsibilities of the Company's Board of Directors and management, and the Company has established such a system. Its purpose is to provide reasonable assurance in achieving the objectives of operation effectiveness and efficiency (including profitability, performance and asset safety), in order to assure reliability, timeliness and transparency of reports, and compliance with relevant norms and regulations.
2. The internal control system has its inherent limitations. However, no matter how well designed, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, due to the change of environment and situation, the effectiveness of internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once a shortcoming is identified, the Company will immediately take corrective action.
- III. The Company judges the effectiveness of the design and implementation of the internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the Regulations). The judgment items of the internal control system adopted in the "Regulations" are the process of management control, and the internal control system is divided into the following five components: 1. control environment, 2. risk assessment, 3. control operation, 4. information and communication, and 5. supervision operation. Each component includes several items. Please refer to the "Regulations" for these items.
- IV. The Company has adopted the aforesaid internal control system judgment items to assess the effectiveness of the design and implementation of the internal control system.
- V. Based on the assessment results, it is believed that the Company's internal control system (including the supervision and management of subsidiaries) as of December 31, 2023, including the understanding of the operation effectiveness and the extent to which the efficiency objectives have been achieved, the reliability, timeliness, transparency of the report, and the design and implementation of the internal control system on the compliance with relevant norms, laws and regulations are effective and can reasonably assure the achievement of the objectives above.
- VI. This statement shall form a major part of the Company's annual report and prospectus and will be publicly disclosed. If the above-mentioned contents are false or concealing, the legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act shall be involved.
- VII. This Statement was approved by the Company's Board of Directors on March 9, 2026. Of the 9 directors in attendance, 0 expressed dissenting opinions, and all remaining directors agreed to the content of this Statement. This is hereby declared.

TSANG YOW INDUSTRIAL CO.,LTD.

Chairman:

Signature

General Manager

Signature

(X) Important resolutions of the shareholders' meetings and the Board of Directors' meetings in the most recent year and up to the date of publication of the annual report:

I. Major Resolutions of the Shareholders' Meetings in the Most Recent Year and up to the Date of Printing of the Annual Report:

Date of Annual General Shareholders' Meeting: May 27, 2025

1. Approval of the Company's 2024 Business Report and Financial Statements.
Implementation status: Resolution made.
2. Approval of the Company's 2024 Earnings Distribution Table.
Implementation status: June 3, 2025 was set as the ex-dividend record date, and cash dividends and employees' and directors' remuneration were distributed on June 25, 2025. (Cash dividend of NT\$1.2 per share.)
3. Discussed revisions to Company's "Articles of Incorporation."
Implementation status: The amendment was approved for registration change by the Ministry of Economic Affairs on June 16, 2025.

II. Major Resolutions of the Board of Directors' Meetings in the Most Recent Year and up to the Date of Printing of the Annual Report:

Meeting Date: February 24, 2025

1. Report on stakeholders in 2024 and the material issues of concern to them.
2. Report on the Remuneration Committee's review of the Company's 2024 Board performance evaluation.
3. Report on the Company's "2024 Greenhouse Gas Inventory Plan and 2023 Greenhouse Gas Inventory Results."
4. Report on the Company's "2025 Cybersecurity Risk Management Framework and 2024 Information Security Management Program Implementation Results."
5. Report on the renewal status of directors', supervisors', and key officers' liability insurance.
Implementation status: Information disclosure filing has been completed.
6. Discussion of the 2024 Statement of Internal Control.
Implementation status: Information disclosure filing has been completed.
7. Approval of the 2024 Business Report and Financial Statements.
Implementation status: Information disclosure filing has been completed.
8. Discussion of the 2024 earnings distribution.
9. Discussion of the definition and scope of the Company's grassroots employees.
10. Discussion of the amendment to the Company's "Articles of Incorporation."
Implementation status: Submitted to the 2025 Annual General Shareholders' Meeting for discussion.
11. Discussion of the amendment to the Company's "Rules of Procedure for Board of Directors Meetings."
Implementation status: Submitted to the 2025 Annual General Shareholders' Meeting for reporting.
12. Discussion of the amendment to the Company's "Audit Committee Charter."
Implementation status: Processed in accordance with the amended procedures.
13. Discussion of the amendment to the Company's "Rules for Performance Evaluation of the Board of Directors."

Implementation status: Processed in accordance with the amended procedures.

14. Discussion of the distribution of bonuses to the Company's managers for 2024.
15. Discussion of the distribution of directors' remuneration and employees' remuneration for 2024.
16. Discussion of the payment of directors' remuneration for 2024.
17. Discussion of the regular (annual) evaluation of the independence of the Company's certifying CPAs.
18. Discussion of the appointment of the Company's certifying CPAs, and resolution of their remuneration and the pre-approved list of non-assurance services.
19. Discussion of convening the 2025 Annual General Shareholders' Meeting.
20. Matters related to the acceptance of shareholders' proposals for the 2025 Annual General Shareholders' Meeting.

Meeting Date: May 7, 2025

1. Approval of the consolidated financial statements for the first quarter of 2025.
Implementation status: Information disclosure filing has been completed.
2. Discussion of the ex-dividend record date for the 2024 earnings distribution.
Implementation status: June 3, 2025 was set as the ex-dividend record date, and cash dividends and employees' and directors' remuneration were distributed on June 25, 2025. (Cash dividend of NT\$1.2 per share.)
3. Discussion of the amendments to the Company's "Corporate Governance Best Practice Principles" and "Procedures for Handling Material Inside Information."
Implementation status: Processed in accordance with the amended procedures.
4. Discussion of the renewal of the NT\$80 million short-term credit facility with Yuanta Commercial Bank.

Meeting Date: August 6, 2025

1. Report on the change of the Company's internal audit supervisor.
Implementation status: Information disclosure filing has been completed.
2. Approval of the consolidated financial statements for the second quarter of 2025.
Implementation status: Information disclosure filing has been completed.
3. Discussion of the amendment to the 2025 sustainable development policy.
4. Discussion of the formulation of the 2025 sustainable development strategy and short-, medium-, and long-term plans and targets.
5. Discussion of the proposal for completion and finalization of the 2024 Sustainability Report.
Implementation status: Information disclosure filing has been completed.

Meeting Date: November 6, 2025

1. Report on the 2025 intellectual property management plan and implementation status.
2. Report on the implementation status of ethical corporate management in 2025.
3. Report on the implementation status of risk management in 2025.
4. Approval of the consolidated financial statements for the third quarter of 2025.
Implementation status: Information disclosure filing has been completed.
5. Approval of the 2026 operating plan and budget.
6. Discussion of the 2026 internal audit plan.
Implementation status: Information disclosure filing has been completed.
7. Discussion of the proposal for establishing the 2025 "Corporate Value Enhancement

Plan.”

Implementation status: Information disclosure filing has been completed.

8. Discussion of the amendment to the 2026 sustainable development policy.

9. Discussion of the implementation status and effectiveness of sustainable development in 2025.

10. Discussion of the amendment to the “Sustainable Development Best Practice Principles.”

Implementation status: Processed in accordance with the amended procedures.

11. Discussion of the amendments to the “Internal Control System” and the “Detailed Rules for Internal Audit Implementation.”

Implementation status: Processed in accordance with the amended procedures.

12. Discussion of the amendment to the “Regulations for the Distribution of Employee Remuneration.”

Implementation status: Processed in accordance with the amended procedures.

13. Discussion of the amendment to the “Performance Evaluation and Remuneration Regulations for Senior Executives.”

Implementation status: Processed in accordance with the amended procedures.

14. Discussion of the remuneration for the Chief Technology Officer.

15. Discussion of the remuneration for the Deputy General Manager of the Manufacturing Center.

16. Discussion of the change and remuneration of the newly appointed internal audit supervisor.

Implementation status: Information disclosure filing has been completed.

17. Discussion of the performance bonus for senior executives for 2025.

18. Discussion of the implementation status of remuneration items for directors and managers.

19. Discussion of the application for bank credit facilities.

Meeting Date: March 9, 2026

1. Report on stakeholders in 2025 and the material issues of concern to them.

2. Report on the 2025 Board performance evaluation.

3. Report on the 2026 cybersecurity risk management framework and 2025 information security management results.

4. Report on the renewal status of liability insurance for directors, supervisors, and key officers in 2026.

5. Discussion of the 2025 Statement of Internal Control.

Implementation status: Information disclosure filing has been completed.

6. Approval of the 2025 Business Report and Financial Statements.

Implementation status: Information disclosure filing has been completed.

7. Discussion of the 2025 earnings distribution.

8. Discussion of the distribution of bonuses to senior executives for 2025.

9. Discussion of the distribution of directors’ remuneration and employees’ remuneration for 2025.

10. Discussion of the payment of directors’ remuneration for 2025.

11. Discussion of the evaluation of the competence and independence of the certifying CPAs.

12. Discussion of the service remuneration for the appointed accounting firm.

13. Discussion of convening the 2026 Annual General Shareholders' Meeting.
14. Matters related to the acceptance of shareholders' proposals for the 2026 Annual General Shareholders' Meeting.
15. Discussion of the proposed application to Cathay United Bank for a financial trading limit (hedging).

(XI) In the most recent year and up to the date of printing of the annual report, where directors expressed dissenting opinions to major resolutions passed by the Board of Directors and such opinions were recorded or provided in written statements, the main contents thereof: None.

IV. Independent Auditor Fee Information:

Unit: NT\$ thousand

Accounting Firm	Name of CPAs	Audit Period	Audit Fee	Audit Fee	Total	Remarks
Deloitte Taiwan	CHEN,HS IU-WEN	2025/01/01~2025/12/31	2,400	0	2,400	-
	Chen-Li Chen	2025/01/01~2025/12/31				

Note: Audit period shall be listed separately when there is a change of CPAs or accounting firm. Reasons for changes shall be stated in the Remarks column, along with all fees paid. Service details shall be disclosed for non-audit fees paid.

(I) Changes of accounting firm and the audit fees paid for the year in which the change took place are lower than those paid for the year immediately preceding the change: None.

(II) Audit fees paid for the current year are lower than those paid for the immediately preceding year by 10% or more: None.

V. Information on Change of CPAs: None.

VI. 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 certified public accountant 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.

VII. Changes in share transfers and share pledges by directors, managers, and shareholders holding more than 10 percent of the shares during 2025:

(I) Changes in shareholdings of directors, supervisors, managers and major shareholders

Unit: share

Title (Note 1)	Name	2025		Current Year	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	As of March 31	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Chairman	Chih-Tse Su	0	0	0	0
Top Shareholder	Linesoon Investment Co.,Ltd. Representative: SU, CHIN-CHIH	0	0	0	0
Top Shareholder	Golden Top Investment Co., Ltd.	0	0	0	0
Director	Rich Pool Investment Co., Ltd.	0	0	0	0
Corporate Representative:	Rich Pool Investment Co., Ltd. - Hsin-Shu Hsieh	0	0	0	0
Director	Hsin-Cheng Su	0	0	0	0
Director	San-Tu Chu	0	0	0	0
Director/General Manager	Chi-Hu Su	692,000	0	390,000	0
Director / Vice President	Chen-Yi Chu	20,000	0	0	0
Independent Director	OU,CHIN-SHYH	0	0	0	0
Independent Director	CHEN,CHIH-CHANG	0	0	0	0
Independent Director	LIN, CHIU-HSIEN	0	0	0	0
Vice President	WANG,HU-CHO (Remark 1)	15,000	0	0	0
Chief Technology Officer	KUO,WEN-TANG (Remark 2)	16,000	0	0	0
Chief Accounting Officer & Finance Officer	CHEN, HUI-JUNG	8,000	0	0	0
Corporate Governance Officer	CHENG,LI-CHUN	7,000	0	0	0

Note 1: Shareholders holding more than 10% of the Company shall be listed as top managers and listed separately.

Note 2: Where the counterparty in any transfer or pledge of shareholding is a related party, information regarding transfer or pledge shall be disclosed.

Remark 1: Kuo, Wen-Tang was originally the Deputy General Manager of the Manufacturing Center. Due to organizational adjustments, he was transferred to the R&D Center concurrently as the Deputy General Manager of the Quality Assurance Division on February 26, 2025. Following further organizational adjustments, his position was adjusted to Chief Technology Officer at the R&D Center on January 1, 2026.

Remark 2: Wang, Hu-Chuo was originally the Deputy General Manager of Quality Assurance at the R&D center on a concurrent basis. Due to organizational adjustments, he was transferred to the Deputy General Manager of the Manufacturing Center on February 26, 2026.

(II) Shareholding transfer or pledge: Not applicable.

VIII. Top-10 Shareholders Who are a Spouse or a Second-degree Relatives to Each Other:

Related Party Relationship among top-10 Shareholders

March 28, 2026 Unit: share

Name (Note 1)	Shares held by the shareholder		Spouse and Minor Shareholding		Shareholding in Other's Names		Related Shareholders (Spouses or Second-Degree Relatives) (Note 3)		Remark
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Title (or name)	Relationship	
Linesoon Investment Co., Ltd.	19,955,314	19.36%	0	0%	0	0%	Not applicable	Not applicable	
Representative: SU, CHIN-CHIH	1,467,000	1.42%	0	0%	0	0%	Rich Pool Investment Co., Ltd. Representative: SU, CHI-HU	first-degree relative	-
							SU, CHI-WEN		
							Chi-Hu Su		
							Golden Top Investment Co., Ltd. Representative: Hsin-Cheng Su	Second-degree relative	
Rich Pool Investment Co., Ltd.	7,961,779	7.72%	0	0%	0	0%	Not applicable	Not applicable	
Representative: SU, CHI-TSE	1,781,867	1.73%	0	0%	0	0%	Linesoon Investment Co., Ltd. Representative: SU, CHIN-CHU	first-degree relative	-
							SU, CHI-WEN	Second-degree relative	
							Chi-Hu Su		
Golden Top Investment Co., Ltd.	7,427,058	7.20%	0	0%	0	0%	Not applicable	Not applicable	
Representative: SU, HSIN-CHENG	1,717,762	1.67%	4,000	0%	0	0%	SU, YU-CHIH	first-degree relative	-
							Linesoon Investment Co., Ltd. Representative: SU, CHIN-CHU	Second-degree relative	
Chih-Tse Su	2,712,000	2.63%	1,513,491	1.47%	0	0%	Linesoon Investment Co., Ltd. Representative: SU, CHIN-CHU	first-degree relative	-
							SU, CHI-WEN	Second-degree relative	
							Chi-Hu Su		
SU, YU-CHIH	1,781,867	1.73%	0	0%	0	0%	Golden Top Investment Co., Ltd. Representative: Hsin-Cheng Su	first-degree relative	-

Name (Note 1)	Shares held by the shareholder		Spouse and Minor Shareholding		Shareholding in Other's Names		Related Shareholders (Spouses or Second-Degree Relatives) (Note 3)		Remark
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Title (or name)	Relationship	
Chi-Hu Su	1,774,990	1.72%	0	0%	0	0%	Linesoon Investment Co.,Ltd. Representative: SU, CHIN-CHU	first-degree relative	-
							Chih-Tse Su	Second-degree relative	
							SU,CHI-WEN		
SU,CHI-WEN	1,734,227	1.68%	0	0%	0	0%	Linesoon Investment Co.,Ltd. Representative: SU, CHIN-CHU	first-degree relative	-
							Chih-Tse Su	Second-degree relative	
							Chi-Hu Su		
Hsin-Cheng Su	1,717,762	1.67%	4,000	0%	0	0%	SU, YU-CHIH	first-degree relative	-
							Linesoon Investment Co.,Ltd. Representative: SU, CHIN-CHU	Second-degree relative	
SU,CHIH-CHUNG	1,647,500	1.60%	0	0%	0	0%	None	None	-
SU,CHIH-CHENG	1,640,686	1.59%	0	0%	0	0%	None	None	-

Note1: All top-10 shareholders shall be listed. Names of legal persons and their representatives shall be disclosed to corporate shareholders.

Note 2: The calculation of shareholding ratio refers to the calculation of shareholding ratio in the name of oneself, spouse and minor children or in the name of others.

Note 3: If the shareholders listed above include legal persons and natural persons, disclosure their relationships shall be in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IX. The Number of Shares Held by the Company, Its Directors and Managers, and Enterprises Directly or Indirectly Controlled by the Company in the Same Investee Enterprise, and the Combined Shareholding Ratio:

Combined shareholdings

Unit: thousand shares; %

Investee Enterprises (Note 1)	By the Company		Investment by the Directors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total Investment	
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %
YORU Tech SDN. BHD. (Note 2)	1,9253,520	55.00	0	0	0	55.00
YORU Tech PTE. LTD. (Note 3)	727,656	55.00	0	0	0	55.00
YOWIN Tech SDN. BHD. (Note 4)	2,374,490	100.00	0	0	0	100.00
Apex Fortune Co.,Ltd. (Note 5)	600,000	20.00	0	0	0	20.00

Note 1: The investment is accounted for using the equity method.

Note 2: The 55%-owned subsidiary in Malaysia, jointly invested in with Ron Jye Enterprise Co., Ltd. in 2023, has not yet completed its capital increase.

Note 3: The 55%-owned subsidiary in Singapore, jointly invested in with Ron Jye Enterprise Co., Ltd. in 2024, has not yet completed its capital increase.

Note 4: A 100%-owned subsidiary in Malaysia was established in 2024 and is wholly funded by the Company; however, the capital increase has not yet been completed.

Note 5: In 2024, the Company made a reinvestment in Apex Fortune representing a 20% equity interest, and the capital increase has not yet been completed.

Three. Status of Fundraising

I. Capital and Shares

(I) Sources of share capital:

1. Source of capital Unit: shares; NT\$ thousand

Month and Year	Issuance price	Approved Share Capital		Paid-in Capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Share Capital paid in Other Than Cash	Assets Other Than s
74.01	1,000	5,000	5,000	5,000	5,000	Incorporation	None	-
85.11	1,000	10,000	10,000	10,000	10,000	New cash capital: \$5,000 thousand	None	-
86.12	1,000	20,000	20,000	20,000	20,000	New cash capital: \$10,000 thousand	Note 1	-
88.09	10	10,000,000	100,000	5,966,000	59,660	New cash capital \$5,000 thousand Earning conversion \$34,660 thousand	Note 2	-
89.09	15	20,000,000	200,000	15,946,500	159,465	New cash capital \$40,145 thousand Earning conversion \$59,660 thousand	Note 3	-
90.08	10	20,000,000	200,000	18,338,475	183,384	Earning conversion: \$23,920 thousand	Note 4	-
91.06	10	35,000,000	350,000	23,840,017	238,400	Earning conversion: \$55,015 thousand	Note 5	-
91.12	10	35,000,000	350,000	25,840,017	258,400	New cash capital \$20,000 thousand	Note 6	-
92.04	10	35,000,000	350,000	30,840,017	308,400	New cash capital \$50,000 thousand	Note 7	-
92.06	10	61,000,000	610,000	38,550,021	385,500	Earning conversion: \$77,100 thousand	Note 8	-
92.12	10	61,000,000	610,000	40,050,021	400,500	New cash capital \$15,000 thousand	Note 9	-
93.09	10	61,000,000	610,000	48,060,024	480,600	New cash capital \$56,070 thousand Capital surplus conversion \$24,030 thousand	Note 10	-
94.07	10	67,000,000	670,000	52,866,026	528,660	New cash capital \$24,030 thousand Capital surplus conversion \$24,030 thousand	Note 11	-
95.02	17	67,000,000	670,000	62,866,026	628,660	New cash capital \$100,000 thousand	Note 12	-
95.07	10	150,000,000	1,500,000	62,866,026	628,660	Change of the approved capital	Note 13	-
96.05	10	150,000,000	1,500,000	63,009,126	630,091	Employee stock warrant exercise: \$1,431 thousand	Note 14	-
96.08	10	150,000,000	1,500,000	63,166,626	631,666	Employee stock warrant exercise: \$1,575 thousand	Note 15	-
96.11	10	150,000,000	1,500,000	64,049,626	640,496	Employee stock warrant exercise: \$8,830 thousand	Note 16	-
97.03	10	150,000,000	1,500,000	64,080,626	640,806	Employee stock warrant exercise: \$310 thousand	Note 17	-
97.04	10	150,000,000	1,500,000	64,113,126	641,131	Employee stock warrant exercise: \$325 thousand	Note 18	-
97.08	10	150,000,000	1,500,000	64,124,126	641,241	Employee stock warrant exercise: \$110 thousand	Note 19	-
97.09	20	150,000,000	1,500,000	74,124,126	741,241	New cash capital \$100,000 thousand	Note 20	-

Month and Year	Issuance price	Approved Share Capital		Paid-in Capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Share Capital paid in Assets Other Than Cash	Others
97.10	10	150,000,000	1,500,000	74,134,126	741,341	Employee stock warrant exercise: \$100 thousand	Note 21	-
97.12	10	150,000,000	1,500,000	81,631,559	816,315	Capital surplus conversion \$74,974 thousand	Note 22	-
98.12	10	150,000,000	1,500,000	91,631,559	916,315	New cash capital \$100,000 thousand	Note 23	-
103.05	10	150,000,000	1,500,000	103,086,559	1,030,866	New cash capital \$114,550 thousand	Note 24	-

Note: 1. All capital information shall be updated till the most recent year and up to the date of printing of the annual report

2. New capital increase shall include the approval document with the issuing date and number.

3. Any shares offered below par value shall be specially marked.

4. Shares issued out of monetary bonds or technology shall be explained with types of assets used and associated amounts.

5. Any shares offered through private placement shall be specially marked.

Note 1: 1997.12.27 Ministry of Economic Affairs (86) Jian-Er-Geng-Zi No. 286345

Note 2: 1999.10.06 Ministry of Economic Affairs (88) Zhong-Zi No. 88691841

Note 3: 2000.11.01 Ministry of Economic Affairs (089) Shang-Zi No. 089140552

Note 4: 2001.09.06 Ministry of Economic Affairs (90) Shang-Zi No. 09001359810

Note 5: 2002.07.10 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09101262350

Note 6: 2003.01.08 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09101526690

Note 7: 2003.05.26 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09201155510

Note 8: 2003.06.27 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09232280950

Note 9: 2003.12.30 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09233205610

Note 10: 2004.09.07 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09332676040

Note 11: 2005.07.05 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09401183230

Note 12: 2006.02.13 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09501025020

Note 13: 2006.02.13 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09501136190

Note 14: 2007.05.22 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09601110340

Note 15: 2007.08.21 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09601201690

Note 16: 2007.11.26 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09601289130

Note 17: 2008.03.10 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09701058480

Note 18: 2008.04.17 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09701089780

Note 19: 2008.08.28 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09701216750

Note 20: 2008.09.17 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09701239110

Note 21: 2008.10.20 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09701266910

Note 22: 2008.12.05 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09701305380

Note 23: 2009.12.15 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 09801285670

Note 24: 2014.05.23 Ministry of Economic Affairs Jing-Shou-Shang-Zi No. 10301093860

2. Type of share March 31, 2026 Unit: share

Type \ Share	Approved Share Capital			Remark
	Outstanding shares (Listed company)	Unissued shares	Total	
Registered common stock	103,086,559	46,913,441	150,000,000	Include 4,000,000 shares from employee stock warrant

Note: Whether the shares are TWSE/TPEX listed or TWSE/TPEX listing restricted shall be noted.

3. Shelf registration statement: None

(II) List of major shareholders:

List of Major Shareholders

March 28, 2026

Share		
Shareholding (Shares)		Shareholding %
Name of Major Shareholders		
Linesoon Investment Co., Ltd.	19,955,314	19.36%
Rich Pool Investment Co., Ltd.	7,961,779	7.72%
Golden Top Investment Co., Ltd.	7,427,058	7.20%
SU, CHI-TSE	2,712,000	2.63%
SU, YU-CHIH	1,781,867	1.73%
SU, CHI-HU	1,774,990	1.72%
SU, CHI-WEN	1,734,227	1.68%
Su, Hsin-Cheng	1,717,762	1.67%
SU, CHIH-CHUNG	1,647,500	1.60%
SU, CHIH-CHENG	1,640,686	1.59%

(III) Dividend Policy and Implementation Status:

1. Dividend policy under the Article of Incorporation,

Profit appropriation will follow the order below if there is a surplus in the Company's annual final accounts:

- (1) paying tax;
- (2) making up for the loss accumulated;
- (3) setting aside 10% as the legal reserve;
- (4) appropriating or reversing special reserve based on regulations or operation needs.
- (5) If there is a balance remaining, the balance plus the undistributed earnings is the distributable earnings, from which the Board of Directors shall propose dividend distribution and submit to the shareholders' meeting for approval. The dividend distribution can be in the form of stock or cash.

Based on Article 240-5, the Company authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two thirds of the total number of directors; and such distribution shall be submitted to the shareholders' meeting for reporting.

The Company will factor in the industry condition and the growth stage of the Company to meets capital needs and long-term financial planning, as well as cash flow demands from the shareholders. Therefore, a certain percentage from distributable earnings will be set aside for shareholder dividends, of which the cash distribution shall not be lower than 10%. The type and percentage of such distribution might be adjusted by the shareholders' meeting depending on actual surplus and capital needs.

In addition, while not stipulating in the Article of Incorporation, the Board of Directors is to distribute a cash dividend no less than 40% of the net income in each year for the next three years, after considering the needs of financial structure and operation

expansion.

2. Proposed Dividends Distribution in the Shareholders' Meeting:

The proposal for distribution of the Company's 2025 earnings was resolved by the Board of Directors on March 9, 2026. It is proposed to distribute cash dividends to shareholders of NT\$1 per share, totaling NT\$103,086,559. However, the 2025 earnings distribution proposal has not yet been submitted to the shareholders' meeting for reporting.

(IV) Impact of the proposed stock dividends at this shareholders' meeting on the Company's operating performance and earnings per share: None.

(V) Employee and director remuneration:

1. Percentage or range of employees' and directors' remuneration as stipulated in the Articles of Incorporation:

* If the Company makes a profit in the year, it shall allocate no less than 3% as employee remuneration, which shall be distributed in shares or cash by resolution of the board of directors, and the recipients of the payment include the employees of the subordinate companies who meet certain conditions; the Company may The Board of Directors shall resolve to set aside no more than 5% of the profit as directors' remuneration.

The proposal for distribution of employee remuneration and directors' remuneration shall be reported to the shareholders' meeting.

When there's still accumulated loss, a provision for making it up shall be set aside, then the distribution can be made based on the percentages above.

2. The basis for estimating the amount of employees' compensation and remuneration to directors and for calculating the number of shares to be distributed as employees' compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

(1) After considering earning level and industry standard, based on the percentage described in the Article of Incorporation, the Company makes distribution when there are annual earnings generated. The distribution proposal will be reviewed by the Remuneration Committee and sent to the Board of Directors for resolution and to the shareholders' meeting for reporting.

(2) The annual distribution to employees and directors are recognized as a current expense and liability based on "Accounting Treatment of Employee Bonuses and Remuneration to Directors and Supervisors," Letter (96) Ji-Mi-Zi No.52 from Accounting Research and Development Foundation. If the amount of change is insignificant by the standards, it can be treated as changes in accounting estimates and classified as profit or loss of the next year.

3. Distribution approved by the Board of Directors:

(1) Amount of employees' remuneration and directors' remuneration distributed in cash or shares:

On March 9, 2026, the Board of Directors resolved to propose the distribution of directors' remuneration of NT\$3,687,172 and employees' remuneration of NT\$7,374,345 (all to be distributed in cash). The proposal was approved by the Remuneration Committee on March 9, 2026 and is pending submission to the shareholders' meeting.

(2) The amount of any employees' compensation distributed in stocks, and the size of that amount as a percentage of the sum of the net profit stated in the financial statements for the current period and total employees' compensation: All employee compensation will be paid in cash; therefore, the calculation is not applicable.

4. The actual distribution to employees and directors and supervisors for the preceding year:

For 2025, the Company actually distributed directors' remuneration of NT\$4,492,837 and employees' remuneration of NT\$8,985,673 in cash for 2024, which was consistent with the amounts recognized as expenses in 2024.

(VI) Status of the Company's share repurchase:

1. Status of the Company's share repurchase (completed):

April 10, 2026

Buyback	1st session	2nd session
Purpose of the Buyback	Shares transferred to employees	Shares transferred to employees
Buyback Period	11/26/2018–01/03/2019	05/13/2020–06/19/2020
Price Range	NT\$12.53–NT\$29.39	NT\$10.47–NT\$21.92
Types and Amount Bought	Common shares: 554,000	Common shares: 740,000
Amount Paid	NT\$10,711,878	NT\$11,796,963
As a Percentage of Estimated Buyback (%)	55.40	74.00
Shares Annulled or Transferred	554,000 shares	740,000 shares
Accumulated Shares Held	0 shares	0 shares
Shares Held as a Percentage of Total Issuance (%)	0	0
Percentage of total issued shares (%)		

2. Status of the Company's repurchase of its own shares (currently in progress): None.

II. Issuance of Corporate Bonds:None.

III. Issuance of Preferred Shares:None.

IV. Status of Overseas Depository Receipts Issuance: None

V. Status of Employee Stock Option: None.

VI. Status of Employee Restricted Stock: None.

VII. Status of Issuance of New Shares in Connection with Mergers and Acquisitions or Acquisition of Shares of Another Company: None.

VIII. Implementation of the Plan for Utilization of Funds:

(I) A description of the plans: For the period as of the quarter preceding the publication date of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits, the annual report shall provide a detailed description of the plan for each such public issue and private placement. Such

descriptions shall include any and all changes to the plan, the source of funds and the manner of their utilization, the reason(s) for any changes to the plan, the benefits yielded by the funds before and after any change to the plan, the date on which the change to the plan was reported at a shareholders' meeting, and the date on which such information was uploaded to the information disclosure website specified by the FSC: None.

- (II) Status of implementation: for funds usage under the plans referred to in the preceding subparagraph, the annual report shall (for the period as of the quarter preceding the date of publication of the annual report) analyze the status of implementation and compare actual benefits with expected benefits. Where implementation has failed to yield the expected progress or benefits, the annual report shall provide specific reasons for such failure, explain any effect it might have upon shareholders' equity, and outline the plan for correcting the situation: None.

Four. Operation overview

I. Business Content

(I) Business Scope

1. Core Business Items

- Other Machinery Manufacturing
- Ships and Parts Manufacturing
- Motor Vehicles and Parts Manufacturing
- Wholesale of Other Machinery and Tools
- Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- Wholesale of Ship and Component Parts
- Retail Sale of Other Machinery and Tools
- Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- Retail Sale of Ship and Component Parts Thereof
- International Trade
- Motorcycles and Parts Manufacturing
- Bicycles and Parts Manufacturing
- Aircraft and Parts Manufacturing
- Other Transport Equipment and Parts Manufacturing
- Retail Sale of Bicycle and Component Parts Thereof
- Machinery Equipment Manufacturing
- Affairs Machine Manufacturing
- Other Electrical Engineering and Electronic Machinery Equipment Manufacturing
- Self-usage power generation equipment utilizing renewable energy industry
- All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business Mix

Unit: NT\$ thousand; %

Category	2024 Operating revenue	As % of Sales	2025 Operating revenue	As % of Sales
Automatic Transmission Components for Automobiles	696,214	66.35	691,368	65.69
Electric Vehicle Motors	185,331	17.66	162,175	15.41
Heavy-duty Truck Clutch Components	95,304	9.08	97,174	9.23
Processing Services	72	0.01	407	0.04
Others	72,403	6.90	102,296	9.63
Total	1,049,324	100.00	1,052,420	100.00

3. Products Currently Offered by the Company

Key Products	Application/Function
Automobile	<ul style="list-style-type: none"> ● Automatic transmission parts are mainly used in drivetrain devices and gear shifts in fuel vehicles ● Torque converter parts are mainly used in engine and liquid torque converter for fuel vehicles
Heavy-duty Truck	Primarily used in clutches and oil pump systems of heavy-duty trucks.
Industrial Machinery	Transmission system modules for mining machinery, agricultural machinery, forklifts, etc.

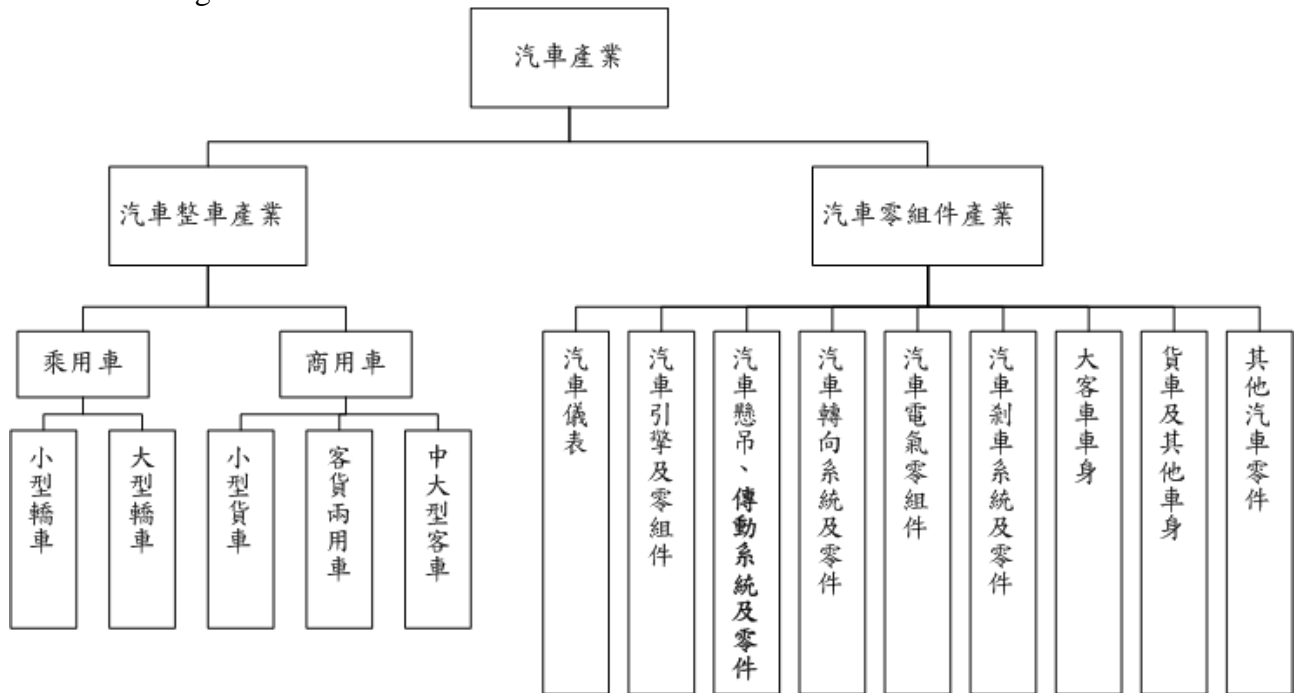
New energy vehicles	Primarily used in gearboxes of new energy vehicles and e-bike gearboxes.
Semiconductors	Semiconductor Equipment Components
Display	Display equipment parts

4. New products planned for development

- 14 semi-conductor equipment parts
- 30 industrial machinery parts
- A total of 5 automatic transmission components for automobiles.
- A total of 2 automotive and truck clutch products.

(II) Industry overview

1. Auto Making Sector



汽車產業
 汽車整車產業
 汽車零組件產業
 乘用車
 商用車
 小型轎車
 大型轎車
 小型貨車
 客貨兩用車
 中大型客車
 汽車儀表
 汽車引擎及零組件
 汽車懸吊、**傳動系統及零件**
 汽車轉向系統及零件
 汽車電氣零組件
 汽車煞車系統及零件
 大客車車身
 貨車及其他車身
 其他汽車零件

Automotive Industry
 Vehicle Manufacturing Industry
 Automotive Components Industry
 Passenger Vehicles
 Commercial Vehicles
 Compact Sedans
 Large Sedans
 Light Trucks
 Passenger-Cargo Vehicles
 Medium and Large Buses
 Automotive Instruments
 Automotive Engines and Components
 Automotive Suspension, Transmission Systems and Components
 Automotive Steering Systems and Components
 Automotive Electrical Components
 Automotive Brake Systems and Components
 Bus Bodies
 Truck Bodies and Other Vehicle Bodies
 Other Automotive Components

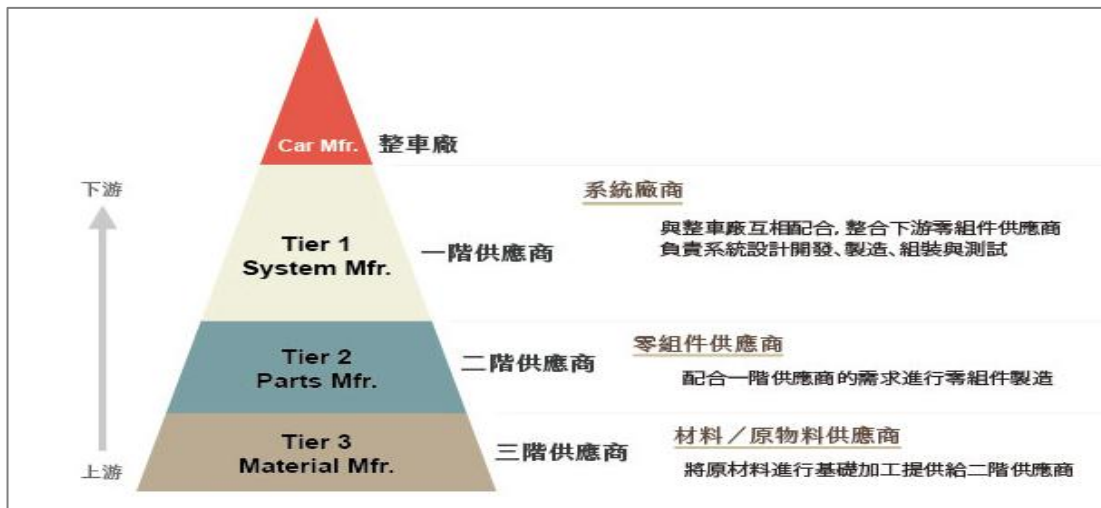
Note: 1. The classification is based on industrial production statistics

2. Other automobile parts, including main frame, body stamping parts, bumper, exhaust pipe, casting parts, supplement restraint system, seatbelt, and several others.

Data source: IEK

The automotive industry is technology-intensive and capital-intensive. The industry is complex

and huge, and it covers a wide range of peripheral industries. As the OEMs in the automobile manufacturing industry are at the core, OEMs mainly purchase directly from tier-one suppliers. The first-tier suppliers (system vendors) are responsible for system integration, and purchase components from the second-tier suppliers (component suppliers). The relationship between the upstream and downstream of the supply chain is stable and they work together to connect the information system. Therefore, the automotive industry is mostly closed and it is difficult for the automotive industry to easily penetrate into the supply chain.



下游	Downstream
上游	Upstream
整車廠	Car manufacturers
一階供應商	Tier 1 supplier
二階供應商	Tier 2 supplier
三階供應商	Tier 3 supplier
系統廠商	System supplier
與整車廠互相配合，整合下游零組件供應商負責系統設計開發、製造、組裝與測試	Collaborate with whole vehicle manufacturers and integrate downstream component suppliers to handle system design and development, manufacturing, assembly, and testing.
零組件供應商	Parts and components suppliers
配合一階供應商的需求進行零組件製造	Manufacturing of parts and components to meet the requirements of Tier 1 suppliers.
材料/原物料供應商	Materials/raw material suppliers
將原材料進行基礎加工提供給二階供應商	Provide basic processing of raw materials to Tier 2 suppliers.

Source: ESPEC CORP., Taiwan Trend Research Institute

2. Industry overview and development

(1) Auto Assembly and Manufacturing Sector:

In 2025, the global automotive industry exhibited a trend of “steady growth with regional divergence.” According to annual data from Focus2Move, Just Auto, and S&P Global Mobility, global new vehicle sales (including light vehicles) reached approximately 88.75 million to 91.9 million units in 2025, representing a year-on-year increase of approximately 1.9% to 3.6% compared to 2024. Despite inflationary pressures and geopolitical uncertainties affecting the global economy, the industry maintained overall positive growth, driven by continued expansion in the China market as well as growth in India and Japan.

However, trade barriers became a key variable in 2025. The imposition of high tariffs by the United States and the European Union on Chinese electric vehicles has compelled global automakers and supply chains to accelerate the deployment of “regionalization” and “short supply chain” strategies to mitigate tariff risks and enhance supply chain resilience.

Market Scale and Regional Performance

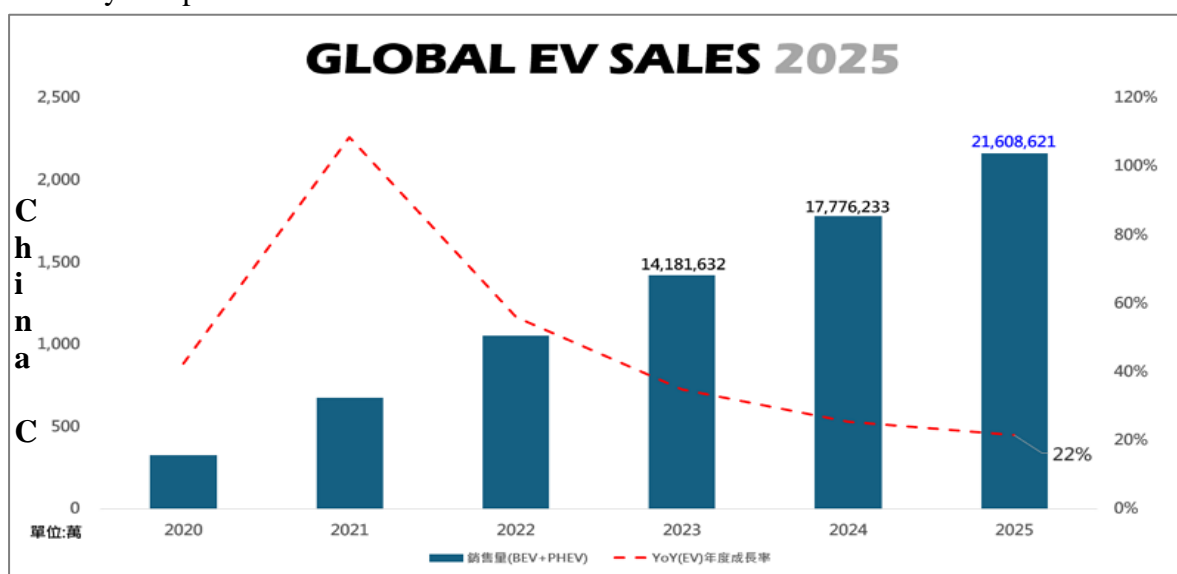
In 2025, China continued to lead the global automotive market, with sales reaching approximately 30.1 million units, accounting for approximately 30.4% of the global market, and surpassing Japanese automakers in annual sales volume for the first time. The United States market remained stable, accounting for approximately 18.4% of global sales; India maintained its position as the world's third-largest automotive market, with a growth rate of 4.4%.

Region	Market share (2025)	Growth rate (YoY)	Major movement
China	30.40%	2.10%	Remained the world's largest market, with strong export momentum of domestic brands and total sales exceeding 30 million units.
United States	18.40%	1.60%	Remained the world's largest market, with strong export momentum of domestic brands and total sales exceeding 30 million units.
India	5.10%	4.40%	Maintained strong growth momentum and ranked as the world's third-largest automotive market.
Japan	4.90%	3.20%	Recovered from the impact of vehicle certification issues, with sales showing a rebound trend.
Germany	3.20%	1.40%	As Europe's largest market, continued to advance electrification under regulatory pressure.

Data Source: Focus2Move, Gasgoo

The Global Electric Vehicle Market Has Entered a New Competitive Phase

The growth momentum of major global electric vehicle markets has become uneven, while emerging markets continue to expand rapidly. According to EV-Volumes data, the global electric vehicle market (including battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV)) maintained growth momentum in 2025, with annual sales reaching approximately 21.6 million units, representing an increase of approximately 22% compared to 2024. The share of electric vehicles in total new vehicle sales reached 25.4%. Meanwhile, annual sales exceeded 20 million units for the first time, marking a historical high (see Figure 1). This indicates that electrification is transitioning from the market introduction stage to a new phase characterized by large-scale growth and intensified industry competition.



ontinued the Vehicle Replacement Subsidy Policy

Figure

單位：萬
銷售量
年度成長率

Unit: 10,000 vehicles
Sales volume
Annual growth rate

1. Global Electric Vehicle Market Sales and Growth Rate in Recent Years

Source: EV-Volumes; compiled by the Vehicle Center

China's continuation of vehicle replacement subsidies has stabilized growth momentum:

In 2025, China remained the world's largest EV market, accounting for 63% of global new EV sales, with annual sales reaching 13.61 million units and a year-on-year growth of 18.2%. The EV penetration rate in China has exceeded 50% for two consecutive years, indicating the establishment of a stable development scale. The related industrial chain, charging infrastructure, and usage environment have also reached a certain level of maturity. On the policy front, the Chinese government announced at the end of 2025 the continuation of the vehicle replacement subsidy program to sustain future market growth.

European Countries Restarted Subsidies, Driving Market Recovery:

In 2025, electric vehicle sales in Europe reached approximately 4.43 million units, representing a year-on-year increase of 35.8%. In contrast to the relatively sluggish performance in 2024—affected by reduced subsidies in certain countries, macroeconomic uncertainty, and cautious consumer demand—the European EV market rebounded significantly in 2025 due to the reinstatement or strengthening of subsidy policies (e.g., in Italy, the United Kingdom, Spain, and France), along with the introduction of more affordable models by automakers.

Impact of the U.S. Inflation Reduction Act and Tariff Policies:

In 2025, cumulative EV sales in the United States reached 1.53 million units, representing a slight decline of approximately 2% compared to 2024. Although the market performed relatively strongly in the third quarter due to the pull-forward effect of subsidies under the Inflation Reduction Act (IRA) prior to adjustments, market momentum weakened following the expiration of tax credits at the end of September 2025. Overall, the EV penetration rate in the U.S. market has remained at approximately 10% over the past three years, with relatively limited growth. Additionally, adjustments in federal EV policy direction have led automakers to adopt a more cautious approach toward electrification investments and product strategies. Some automakers (e.g., Ford) have restructured their product portfolios to balance electrification, consumer demand, and profitability pressures, resulting in continued uncertainty in the short-term development of the U.S. EV market.

Accelerated Growth in Emerging Markets; Policy Impact Remains Significant:

In 2025, electric vehicle sales in emerging markets reached 2.02 million units, representing a year-on-year increase of 42.5%, exceeding 2024 levels. Across various countries, growth momentum has been largely driven by favorable policy measures. For example, Japan increased the budget for its Clean Vehicle Energy Subsidy Programme; India reduced EV import tariffs and promoted local manufacturing initiatives; and South Korea increased EV purchase subsidies (approximately 20%) and provided tax incentives. However, amid global economic slowdown and fiscal pressures, some countries (e.g., Indonesia) have

begun to scale back EV incentives. Overall, emerging markets continue to exhibit strong growth potential, although policy and trade dynamics will significantly influence future development.

Parallel Development of BEV and PHEV

According to EV-Volumes statistics, BEV sales reached 14.36 million units in 2025, accounting for 66.5% of the global EV market, while PHEV sales reached 7.23 million units, accounting for 33.5%. The PHEV share has exceeded 30% for two consecutive years (see Figure 2). Notably, according to Focus2Move, BEV sales declined in the United States (-11.8%), while experiencing rapid growth in Europe (e.g., Germany +40.7%, Norway +57.4%) and emerging markets (e.g., Vietnam and Thailand). Hybrid electric vehicles (HEV) and plug-in hybrid electric vehicles (PHEV), due to their lower range anxiety and cost advantages, became the preferred choice for many consumers in 2025.

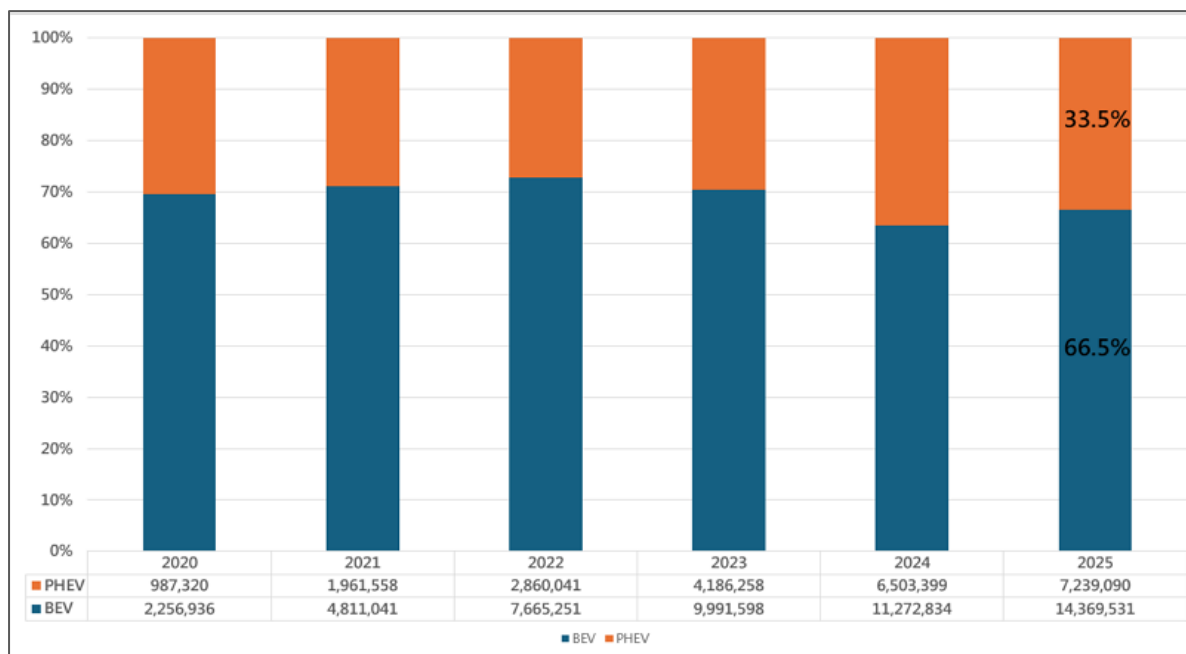


Figure 2. Overview of Global Electric Vehicle Sales Share in Recent Years

Source: EV-Volumes; compiled by the Vehicle Center

(2) Auto Parts Manufacturers Sector:

There are four major auto component distribution channels. They are:

1. OEM market (Original Equipment Manufacturing): Auto-branded parts made and shipped by others to the system service providers or vehicle assemblers.
2. ODM market (Original Design Manufacturing): Auto-branded parts designed, made and shipped by others for system service providers or vehicle assemblers.
3. AM market (After Market): Non-auto-branded parts used in after-sales services.
4. OES market (Original Equipment Service): Auto-branded parts used in after-sales services.

To cope with market needs, the global supply chain for auto component industry has formed the following trends:

- Scaling-up industry players: To compete, the industrial suppliers have been merging, acquiring or cooperating to increase economies of scale.
- Professional production: To shorten new car developments with quality (Q), cost and

- delivery (D) assurance, component makers can no longer just provide parts, based on designs, for assembly lines, but are required to involve deeper with the overall industry chain, starting from R&D, distribution and after service to increase the professional level.
- International production and operation: To follow the car assemblers' footsteps, component makers are crossing borders and expanding business scope. Some are to support car makers' overseas plants; others are to aim for new markets or low-cost advantage from local production. Therefore, a trend of international production and operation is forming.
 - Complicating supplier relationship: In the past, component supplier and car assemblers had a rather strong and unbreakable relationship. Following the intensifying competition in auto market, brand owners have been not only requesting price reduction each year, but replacing existing suppliers with new ones offering favorable price through the purchase platform.

Auto components made in Taiwan are mostly for export purposes. Parts makers are competitive globally for their small-volume and large-variety production and mostly ship to U.S.A.

The global auto parts market is currently undergoing a period of dynamic change. According to the latest analysis by Business Research Insights, the market size rose from US\$2.4 trillion in 2024 to US\$3.4 trillion in 2033, with a compound annual growth rate of 3.7%. This wave of growth is driven by the robust expansion of the global auto industry, the growing adoption of EVs, digital transformation, and supply chain restructuring.

McKinsey predicts that the global automotive after-sales market will grow from approximately EUR 800 billion to approximately EUR 1.2 trillion by 2030. New business models such as shared mobility, network services, and functional upgrades may expand car revenues by about 30%, adding an additional US\$1.5 trillion by 2030.

Top-Three Trends for Industrial Revolution:

There will be three major development trends in the car components industry for the post-pandemic era, according to ITRI Industrial Economics and Knowledge Center: First is changes to the value chain, which will reshape the supply chain. The long ruled principle of globalized supply chain is under the challenge. In the future, regionalization and localization of the supply chain will be the focus. Technology advancement will accelerate automatic and intellectual production and shift from labor-intensive to technology-intensive, and shorten the production chain.

Second is capacity preservation to meet markets with different volume needs. In the future, car component needs in developed countries will move toward customization and high added value, while for emerging countries, due to the growth of car ownership, large-scale and affordable components will be the market mainstream.

The third is driven by intelligence, and components are added value. Due to smartification, components will be more oriented toward added value. In the future, vehicles will be driven by "CASE," Connected, Autonomous, Shared&Service and Electrification to cope with the mobility revolution for the new generation.

From ITRI, the three issues circling the car component industry:

The first is the trend of energy saving and carbon reduction, which drives the development of electrified components. Key components include drive motors, drivers, power batteries,

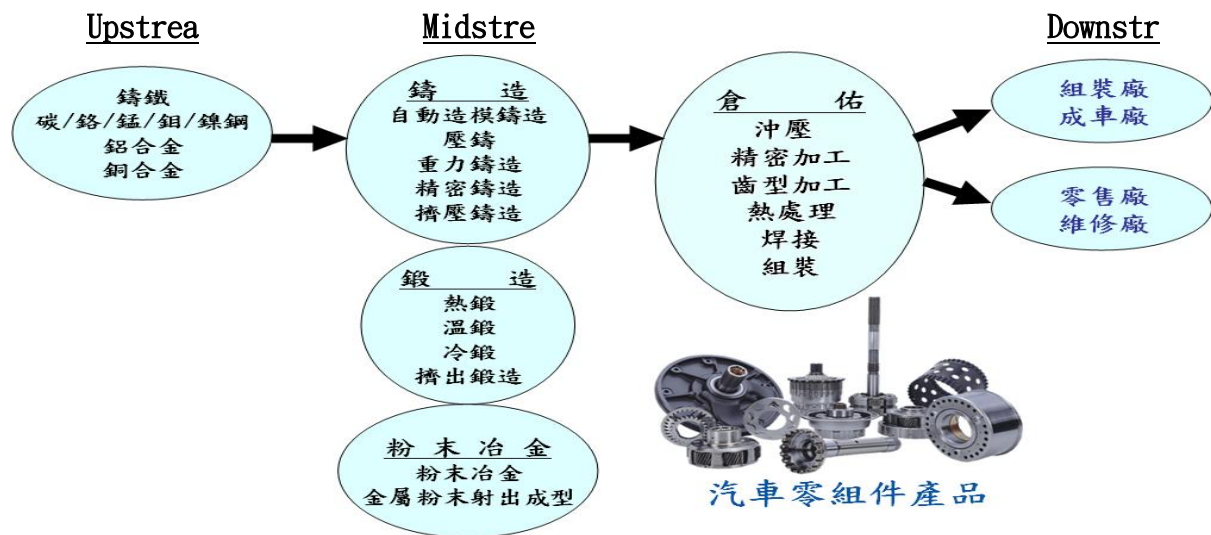
and charging station facilities.

The second is the industry moving toward the optimization of smart manufacturing to increase added value. For example, 3D printing can save the cost and time of mold manufacturing.

The third is penetrating niche market and expanding southbound for new opportunities. Taiwanese car components are mostly shipped to America and Europe. To diversify the market base and circumvent trade risks, it is recommended to tap into emerging economies, such as India and ASEAN countries.

3. Up-, Mid- and Downstream Supply Chain

Tsang Yow mainly produces transmission parts, which involve materials from raw steel, aluminum ingot, and stainless steel; and processing procedures covering smelting, forging, casting, powder metallurgy, gear forming, precision stamping, machine processing, heat treatment, laser welding, assembling, functional testing, etc. Key forging and casting suppliers include Jiashan Guande, Sunforging, CMS, Metal Power and others. Relations to up-, mid-, and downstream suppliers are as follows:



鑄鐵
 碳/鉻/錳/鉬/鎳鋼
 鋁合金
 銅合金
 鑄造
 自動造模鑄造
 壓鑄
 重力鑄造
 精密鑄造
 擠壓鑄造
 鍛造
 熱鍛
 冷鍛
 擠出鍛造
 粉末冶金
 粉末冶金
 金屬粉末射出成型
 倉佑
 沖壓
 精密加工
 齒型加工
 熱處理
 焊接
 組裝
 汽車零組件產品
 組裝廠
 成車廠

Cast iron
 Carbon/chromium/manganese/molybdenum/nickel steel
 Aluminum alloy
 Copper alloy
 Casting
 Automatic mold casting
 Die casting
 Gravity casting
 Precision casting
 Squeeze casting
 Forging
 Hot forging
 Cold forging
 Extrusion forging
 Powder metallurgy
 Powder metallurgy
 Metal powder injection molding
 Tsang Yow
 Stamping
 Precision processing
 Tooth profile processing
 Thermal Treatment
 Welding
 Assembly
 (2) Auto Parts Manufacturers Sector:
 Assembly Plant
 Finished car manufacturers

Data Source: Tsang Yow

4. Market Trend and Competitions

4.1 Car parts market and future technology trend

(1) Electrical vehicle and energy conservation technology

Under the global trend toward net-zero carbon emissions, automakers continue to actively invest in electrification. While promoting the development of battery electric vehicles (BEVs), they are also strengthening their product lineups with plug-in hybrid electric vehicles (PHEVs) to enhance product strategy flexibility and respond to diverse regional market demands. The future development of the global EV market will be influenced by factors including the strength of government support in various countries, changes in the international economic environment, adjustments to industrial policies, automakers' product strategies and investment decisions, and varying levels of consumer market maturity across different regions. These factors will drive the industry into a new phase of development, propelled by market demand, product competition, and industrial chain positioning. To respond to the electrification trend, some manufacturers have begun restructuring their product portfolios and corporate structures. The growth and expansion of electric powertrain-related manufacturers may also drive mergers and acquisitions among suppliers and increase investment from non-traditional entrants, or prompt traditional suppliers to undertake strategic restructuring to maintain competitiveness. In addition, following the supply chain disruptions caused by the pandemic and geopolitical tensions, the automotive industry has accelerated globalization efforts to diversify the risks associated with component production.

To cope with the future mobility trend, an increasing number of traditional car makers are forming strategic alliances to speed up the existing R&D efforts or to upgrade production technology for current lineups in order to deal with the resources, such as funding and time, needed. Different from traditional auto industry, electric car making is similar to smart phone production, which requires production division based on specialization and creates additional opportunities for players in autotronics, information communication and car components. Therefore, players capable of integrating user experiences might become a critical competitive advantage in the future electric vehicle market. In addition, the Internet of Things (IoT) and data analytics software associated with electric vehicles are expected to enhance the decision-making capabilities of logistics operators through vehicle intelligence. The global smart fleet management market is projected to reach approximately US\$139.5 billion by 2035, demonstrating a significant upward growth trend.

(2) Various technologies for advanced driver assistance systems (ADAS) related to safety concerns are under the development

ADAS refers to vehicle onboard systems that link sensors and algorithms to provide drivers the necessary information during the ride. They assist, complement, or automate difficult or repetitive driving tasks, aiming to improve the safety and driving efficiency. ADAS includes: Automatic Emergency Braking System (AEB), Blind Spot Detection System (BDS, BSD, or BLIS), Adaptive Cruise Control (ACC), Parking Assistance System (PA, PAS), Lane Keeping System (LKS), Forward Collision Warning (FCW), Night Vision System (NV), and others.

There will be more product and technology developments focusing on preventive safety and collision safety from the automotive industry. From the angle of preventive

safety, ADAS is seen, by the brand owners, the fundamental catalyst for developing self-driving car in the future. Only OEM car manufacturers with ADAS systems can be rewarded with five-star rating. For collision safety, the emphasis is placed on strengthening the structure of the vehicle, such as body structures that can ensure safety during collision and prevent the roof from damage in the event of a rollover.

(3) Develop lightweight automobiles for cost control and the regulatory targets in fuel economy

Lightweight automobiles are designs that, under the premise of strength and safety guarantee, cut down the weights of car parts as much as possible for power improvement, fuel saving and pollution reduction.

Based on the relevant data, weight of the car takes up about 70% of the fuel consumption. Every 10% reduction in car weight will lead to 3.3% cut in fuel and gas emission, while 15% fuel saving for 15% weight reduction. For diesel cars, the fuel saving will be 3.9% and 5.9%, respectively. In the case of EVs, (including hybrid models), electricity saving even reached 6.3% and 9.5%, respectively for 10% and 15% weight cuts. As a result, lightweight vehicles are seen as an important path leading to energy saving and carbon reduction by the major industrial players.

Car making is a system engineering of complexity which commands the highest standards in collision safety, manipulation stability, riding comfort, fatigue endurance, environment protection and energy saving. While adopting new material, techniques and design for lightweight production, it is quite challenging for the current technologies to reach or surpass the existing features and functionalities. New material, better structure design and advanced production craftsmanship are the three crucial factors for lightweight automotive making and complementary to each other. Among those, new material application (such as high-strength steel, aluminum/magnesium/titanium alloys, and carbon fiber composite materials) shall affect car parts industry the greatest, which will bring numerous opportunities.

(4) The trend of module sharing among the component industry.

A. It has become a trend for OEM system manufacturer or Tier-1 component makers, using global platform as a basis, to adopt sharing modules. The greatest advantage lies on “cost reduction,” as it can increase purchase and production scale and reduce development cycles. The ultimate goal is creating a flexible production platform that allows competitive products and low cost for various car models.

B. There are two kinds of module sharing: Inherit sharing (among different generations from the same car model) and cross sharing (among different car models). If module sharing can be extended to new-energy vehicles (such as electric cars), the involvement levels from OEM system manufacturer or Tier-1 component makers shall vary greatly. And component suppliers will definitely occupy a larger portion visibly in key components for R&D and production stage. For OEM system manufacturers, they will pay more attention to core technology R&D, as well as selling and marketing.

C. However, module sharing creates various risks, including uneven accessibility to the materials, weakened flexibility for diverse needs and possible recalls incurred by defective quality due to mass-produced parts.

(5) The era of innovated vehicle-sharing model through the brand-new smart economy

Smart car services taking into account of both environmental protection and safety

have become a recent focus of industry development. With the assistance of 5G, IOT and other vehicle networking features, real-time data analysis can help to create safety protection and achieve the purpose of performance improvement and cost reduction. According to the report from Deloitte, blockchain technology is an important key for building a smart life. Through linking the same standards, storing and sharing data from vehicle network, the real-time data sent to self-driving software will bring about the goal of safe and smart driving. (Lv4–Lv5) In addition, owing to the convenience and timeliness brought by the increase in urban population and prevalence of 5G and smart phone, it is expected that vehicle-sharing market will continue to grow. Moreover, real-time data sharing can also facilitate efficiency and safety when drivers picking up cars, checking for real-time available vehicles, and managing vehicle usages.

4.2 Global transmission market

(1) Continuous technology and efficiency improvements for automatic transmission

Technology developments in AT, CVT, and DCT all move towards reducing energy transmission loss for better efficiency.

A: Multi-gear AT, ranging from four to nine gears, even ten gear positions. Higher gear positions can mitigate shift impacts, cut down fuel consumption, and therefore, are widely seen in high-end car models. Through technology progress and scale of economy, multi-gear ATs will become more common, moving from luxury models to mid-to-high models.

B. Continuous stability improvement for DCT. DCT, with high transmission efficiency and low fuel consumption, has been picking up rapidly recently for its various advantages like fast gear shifting and favorable fuel economy. However, overheating and wear-tear maintenance remain problematic and require continuous improvement from the car maker and transmission suppliers.

C. Increase torque capacity for CVT CVT comes in smooth driving and fuel saving but fair torque capacity. It functions better in mid-to-compact cars and is applied widely in Japan. The future development lies in torque capacity improvement to broaden applications and increase penetration in mid-to-compact market. For the advantages stated above, CVT is quite fit for small family cars. With extending torque range, the applicability shall get broader, and it is expected to be widely used in mid-to-compact passenger cars in the future.

(2) All types of automatic transmission will continue to exist for the distinctive features

Observed through recent technology trends and application scopes, new multi-gear ATs have accounted for a greater market share with continuous expansion, due to higher requirements for performance and stability from high-end passenger car market. For mid-to-low end market, it has been divided by CVT, DCT, and AT due to balance between costs and performance weighted by vehicle assemblers. In terms of the number of brand adoption, AT remains the mainstream, especially in North America where it commands an absolute dominant position. DC has an edge in the European market and is picking up rapidly in China. For CVT, it is mostly used in Japanese brands and independent brands. In the general trend, each automatic gearbox has its distinctive advantages which shall form a co-existing market shared by all types.

(3) Amidst the major trend of electrification, the role of gearboxes is shifting from being the "core of power transmission" to "highly efficient integrated components."

A. Most of the current hybrid models are equipped with E-CVT continuously variable

transmission, which does not have gears, but can indeed change driving speed. E-CVT is not to alter the engine speed, but to couple the power sources from the engine and the electric motor. Its physical and functional attributes are completely different from those of a conventional CVT. Fuel economy is the major appeal for this type of vehicles, not the performance results. It is the electric motor powering the car, and the engine is often used as a reserved power for battery charging. There is no need for a transmission that specializes in the relationship between speed and torque.

- B. As for battery EVs, the electric motor is much simpler than the internal combustion engine of a conventional car. The input power variation (equal to the fuel supply of the internal combustion engine) can fully meet the speed control needs of a car without a clutch or transmission for coordinate. An electric car is capable of functioning normally without the presence of a gearbox. When there is a gearbox, the ratio of motor speed to car speed can be adjusted to allow better motor efficiency at a given speed. However, transmission design is currently eliminated by the electric vehicle manufacturers due to the lack of technology needed. In order to reach a similar power performance after the elimination, car makers add motor power and battery capacity of greater output, which have increased the cost and weight. It is estimated that the electric vehicle transmission can bring 5% energy saving at least. In the future, EVs will mainly adopt transmission gearboxes of two to three speeds to improve the cruising mileage. And the demand of high speed from high-power motors will help push the precision and strength of gears to increase significantly.
- D. With the advancing sales growth each year, new energy vehicles are propelling the demand of high-precision gears for high-power motors. The number of gears needed for these vehicles is smaller than that for traditional vehicle gearboxes. The price of a single gear is, however, much higher than that of traditional ones, which enhances the value of the gearbox, instead. In light of comfort requirements and expanding share of new energy vehicles, the high-precision gear is with great prospect. However the R&D for the gear will demand more funding from system or component manufacturers, which will result in higher costs and affect profitability. Therefore, outsourcing to professional makers to concentrate on core technologies seems the only solution. Still, the pursuit of gear precision and strength will intensify competition in the industry and oust small gear players. Eventually the production capacity will gradually be consolidated and in the hands of leading gear makers that are able to operate globally.

(III) Technology and R&D Overview:

1. R&D expenses paid during the most recent year up to the printing date of the annual report

Unit: NT\$ thousand

Item	Year	2025
R&D Expenses		43,146

2. Technologies or products developed during the recent year up to the printing date of the annual report

Year	R&D Results
------	-------------

Year	R&D Results
2025	<p>■ Products:</p> <ul style="list-style-type: none"> • Successfully developed Bus transmission system • Successfully developed Industrial machinery component Pull back plate • Successfully developed Automotive transmission JS74 Differential Assembly • Successfully developed Semiconductor equipment components SHIELD, HEAT 300MM EPI • Successfully developed Display equipment components • Successfully developed Industrial machinery truck clutch • Successfully developed 45RFE Pump Cover Plate <p>■ Technology:</p> <ul style="list-style-type: none"> • Preliminary research on technology for processing small apertures and special materials in ultrasonic scalpel handles. • Smart handle application in previous research on production cutter life. • Successfully developed turning technology for stamping copper casing products. • Successfully developed composite processing technology for stainless steel thin-walled tube welding components.
As of March 25, 2026	<p>■ Products:</p> <ul style="list-style-type: none"> • Successfully developed bus transmission systems • Successfully developed automatic transmission component Drum C6 • Successfully developed industrial machinery Control Plate • Successfully developed industrial machinery Pump Housing • Semiconductor equipment components under development • Display equipment components under development • Industrial machinery component Pull Back Plate under development • AM automatic transmission Reverse Drum under development <p>■ Technology:</p> <ul style="list-style-type: none"> • Research on semiconductor non-standard (irregular) machining • Research on welding technology • Optimization and testing of multi-axis composite machining technology

(IV) Short- and Long-Term Development Planning

(1) AM Business

Short Term

- A. Strengthening the production capacity for small-volume, diversified products and providing complete one-stop shopping supply services to meet timely market demands.
- B. Improve equipment and production efficiency and bring up R&D and technology capabilities to obtain competitive cores and circumvent price wars for greater profitability.

Mid-to-long Term

- A. Provide unique and various products and services, such as quality and price variances, based on business nature of customers, such as distributors, retailers and rebuilders.

Apply flexible and real-time production to become one of the best suppliers in the global automobile industry.

- B. Using core technologies and modularized molds from the Group to develop product categories of complex structures and high technology levels. Upgrade technologies and organization to international standards to complete and lead globally.
- C. With the growth in the number of cars and EVs, we make good use of the rich reverse engineering capabilities and proactively develop automatic transmission parts and components or EV parts and components with high unit price and high demand. Adopt smart production that moves towards smartification, lightweight, modulization and electric, as the Group's critical edge.

(2)OEMBusiness

Short Term

- A. Consolidate internal and external group resources to strengthen links between the current product lineup to the application markets for maximizing resource efficiency and achieving the economy of scale in order to compete internationally.
- B. Continuous new account acquisition to push greater group sales. Such as: (a) Create stronger bonding with current customers to extend the relationships to their affiliates. (b) Penetrate into competitors of the current customers for greater development efficiencies and possibilities for combined-order production.
- C. Establish warehousing service near customer locations to increase service value with timely shipments.
- D. In response to the rise of the new energy vehicle market, we will increase the exposure of the Company's parts in EVs and gasoline-powered vehicles, and actively promote Tsang Yow technology to explore business opportunities in the new energy market.

Mid-to-long Term

- A. Co-work with customers according to their business nature, such as branded customers and system assemblers (Tier 1 or 2). Continue to cultivate talent pools specialized in OEM product developments and production planning to enhance customer trust and obtain co-development projects in early designing stages.
- B. Grasp energy conservation product designs and lifecycles to grow the related technologies, in order to offer competitive products.
- C. Phase in specialized equipment and develop function testing technologies to win orders of high-end products (such as: boutique component parts) for broader product range and higher competition bar.
- D. Actively exploring new markets in the aerospace and semiconductor industries to reach the best craftsmanship and quality, and strategic thinking to revitalize the Group's development while moving toward a new era of globalization.

(2)OESBusiness

Leverage development experiences and accumulated technologies from AM to win orders from OES for greater sales volume.

II. Market and Sales Overview

(I) Market Analysis

1. Market analysis

(1) Sales Region of Core Products

Unit: NT\$ thousand

Region \ Year	2024		2025	
	Amount	%	Amount	%
Domestic sales	19,596	1.87	7,029	0.67

Export	America	628,630	59.91	676,607	64.29
	Europe	299,121	28.51	254,409	24.17
	Asia	101,977	9.71	114,375	10.87
Total		1,049,324	100.00	1,052,420	100.00

(2)Market Share

Taiwan’s automotive components industry is export-oriented, with the overseas aftermarket serving as its primary market. Leveraging strong design and manufacturing capabilities, along with flexible, small-batch and high-mix production advantages, Taiwanese products have obtained multiple international certifications and demonstrate strong global competitiveness. The industry’s output value has surpassed that of the automotive manufacturing sector. In 2025, the output value of Taiwan’s automotive components industry was approximately NT\$219 billion, of which 58.6% was exported, primarily to the United States. The overall industry maintained steady growth.

The Company’s principal products are transmission-related components within the automotive components sector, including key components such as gearboxes, torque converters, transfer cases, and steering systems. Among these, gearbox components account for more than 80% of total revenue, while other transmission system products are largely derived from gearbox-related applications. The Company’s output value accounts for approximately 5.5% of the “automotive suspension, transmission systems and components” segment within Taiwan’s automotive components industry.

(3) Future market supply & demand and growth

According to Wall Street Journal, all major industry players are striving building an extensive supplying chain to avoid the repeat of component shortages since the breakouts of pandemic, port congestion and Russia–Ukraine war. Global supply is under the process of reshaping. Auto makers previously heavily relying on China are looking for another new production base. Other than America and Europe’s building of semiconductor industries, all major car brands are leaving Chinese component suppliers and shifting orders, which might be a window of opportunities for Taiwanese component suppliers.

(4) Competitive Niche

Flexible production and completed After-Market product lines

The Company started mainly as a torque converter component producer. With years of R&D efforts in truck clutches and auto transmission gearboxes, the business model changed from processing service supplier in the early years to oil hydraulic pump finishing, which has high added value. Later, Planet, the first gearbox component set, was delivered successfully and followed by the development project for Chrysler and the cooperation with Metal Industries Research and Development Centre for introducing electric welding technology. Several development projects were rewarded from major car brands, including GM for its electric vehicle transmission and 6-speed transmission after mover than 30 years of experience and technologies accumulated in the field of automatic transmission. The system is a key component part in automobile which requires precise molding procedure and electric welding technology through years of experience accumulation to meet the requirements, such as quality and high-precision pores, from the customers. Other than the mass production technologies and professional knowledge obtained through long-term customer projects from global

satellite factories, the Company is holding the entire AM product lines in its hands to further enhance the economy-of-scale production by applying the mold fixtures and equipment. With the reputation and strong image in auto transmission gearboxes, the Company has obtained further momentum for revenue and profitability growth.

Ability to consolidate advantageous precision processing technologies to shorten development time of new products.

As a well-established component maker for gearboxes, the Company has been supplying to satellite plants (Tier1–Tier3) under major American and European car brands on a long-term basis. From early torque-converter components to current gearboxes and planetary gear sets, the Company has been growing along with the customers' expansion through its long, strong bonding relationship. The Company's end customers are domestic and foreign leading car manufacturers, including GM, FORD, Jaguar, Ferrari, Range Rover, Volkswagen, Stellantis, Volvo, Mazda, and other large groups. Mastering the core technology of key components for automatic transmissions, improving product functions through process design, and working with customers on collaborative development to provide products with higher competitive advantage than the original design quality and cost. This demonstrates the Company's important position in the automotive supply chain system. To leverage the high efficiency from the industry-cluster model, the Company has been long outsourcing production to its subcontractors after careful selection and evaluation for their production capabilities and technologies. Plus the molding know-how, together with our vendors, the Company is able to shorten the time needed for product developments and commercialization for the customers, which is also a vital competition edge.

Proven product quality through various certifications for further customer trust

The Company obtained ISO 9002 quality assurance certification in 1999, followed by QS 9000 automotive industry quality management system certification in 2000, and ISO/TS 16949 automotive industry quality management system certification in 2004. In 2018, the Company successfully completed the transition to the IATF 16949 certification. Furthermore, in 2020, the Company obtained AS9100D aerospace quality management system certification. Starting from designs, development, production, quantity inspection and selling, each stage for bringing out a product, is regulated by related system and operation regulation to ensure customer assurance and actual orders. As transmission component parts play an important role for gearbox performance, determining driving comfort and operation, the quality requirement is rather stringent. As a result, quality accreditation is a key factor to compete in automobile industry. Other than receiving certification through various quality assurance agencies, the Company also strives to upgrade production technologies and invests in equipment for automatic production and inspection in order to cut down faults from human factors and control production quality. Other than the difficulty of obtaining quality certification, the Company's long and stable relations with global major brands have established a strong quality image, which continuously attracts new customers for business expansion.

High entry barrier

To enter the mainstream market for gearbox component parts, including torque converters, planetary gear sets, clutch hubs, hydraulic pumps, etc., various and complex technologies for metal processing and mass financial resources are required, which

become natural barriers for average mid to small players. The Company has established production lines of considerable scale, encompassing mold development, casting, forging, and heat treatment, and has further invested in multiple automated inspection lines. Domestically, aside from HO TA, there are no other comparable competitors. Replicating a production line of similar scale would require substantial capital investment and the accumulation of extensive production experience. In addition, from collaborative R&D with satellite factories to commercialization, the Company's products must undergo lengthy processes including design, product certification, and factory inspection. The development cycle for each component typically requires 2 to 3 years before market launch. Furthermore, the automotive components supply system exhibits a high degree of interdependence compared to other industries. Once a product has been certified and enters the supply chain, suppliers are not easily replaced due to the stringent quality certification requirements and long development cycles during the initial stages, in order to maintain supply chain integrity and timeliness. Based on the production scale currently established by the Company, the barriers to entry for other firms seeking to enter the automotive transmission system industry are extremely high.

(5) Positive and negative factors for future development, and the company's response to such factors.

Positive factors:

1. Recently, the Company has diversified from the fields of AT, CVT and DC to hybrid and battery electric vehicles, from the fields of AT, CVT and DC in order to extend product and business ranges.
2. The introduction of full multi-station transfer and automatic transfer of large stamping equipment will meet the demand for large stamping capacity from OEM customers with competitive prices.
3. After years of experience in stamping and laser welding and the ability to develop stamping molds, an absolute advantage in sheet forming for lightweight is established.
4. With the completion of gear processing technologies and advanced machinery along with laser welding and stamping work, the Company is more than ready to join the electric vehicle market and become a key player.
5. The capability to design fixture can conquer the deformation risk during the procedures of product lightening.
6. Through years of AM development projects, a considerable number of precision process and reverse engineering technologies have been accumulated, which will help to grasp AM developments in the future on the base of working relations with OEM service providers.
7. On top of years of experience from IATF 16949 quality system along with TPM and TPS, more trust will be gained from OEM customers for continuous opportunities through the solid operation system.

Negative Factors:

1. The sluggish demand in the global auto market, overcapacity, and the huge investment pressure for electrified transformation have made cost reduction the main means for automakers to continue to make profits, which will reduce the profit margins of the supply chain.

Reactive Measures:

- a. Solid manufacturing ability to eliminate unnecessary waste for further cost reduction.
 - b. Increase automation level to bring about smart manufacturing, thus cutting down human labor and defect costs and staying competitive.
 - c. Continue innovation and cross-field cooperation to add value to the core business and create shared economy.
 - d. Actively develop the market for key semiconductor equipment and parts, expand product development efforts, and diversify products to drive revenue growth.
 - e. Optimize product portfolios and focus on high-value components to ensure profitability.
2. Climate change and resource shortage, increasing enterprise operation risks to the Company.
Power and resource shortage along with the battle between nuclear and new energies have caused price increase and fluctuation.
 3. Some special materials or special processes are not easy to obtain, affecting the order-taking ability

Reactive Measures:

- a. Strengthen supply chain relationship to secure supplies and lower possible impacts.
 - b. Adopt global purchase to increase supply sources.
 - c. Accelerate new energy introduction or adjust manufacturing models (obsoleting old-generation production procedures)
 - d. Develop new-energy products with full efforts to turn crisis into opportunities.
 - e. To cope with the global trend of carbon reduction, policies for carbon inventory checks and energy management along with relevant goals to support sustainable environment have been established.
4. R&D and core production technical and management talent is insufficient and difficult to develop, affecting new product development capability and development schedule.

Reactive Measures:

- a. Introduce technologies and talent, through the cooperation of industry, government, and academia, for gear design, precision finishing, functional testing, and mold tooling design to maintain organizational competitiveness.
 - b. Actively cultivate and retain talent, establish a successor development and employee remuneration plan, and improve the establishment of the knowledge base to ensure the inheritance of organizational knowledge.
5. Changes in geopolitical forces; sustainability initiatives in major global markets (such as the EU's carbon border adjustment mechanism, CBAM), high technology (e.g. U.S. Chips Act), transparency (e.g. EU Digital Product Passport), and privacy (e.g. EU General Data Protection Rule (GDPR)) are likely to force the automotive supply chain to develop locally in Europe, the U.S. and China. The unclear political stance in the Taiwan Strait affects the international competitiveness of Taiwanese factories and triggers long-term business risks in the export market

Reactive Measures:

Accelerate regional economic deployment, establish short-term supply capacity, and

enhance global competitiveness.

(II) Important Uses and Production Processes of Major Products

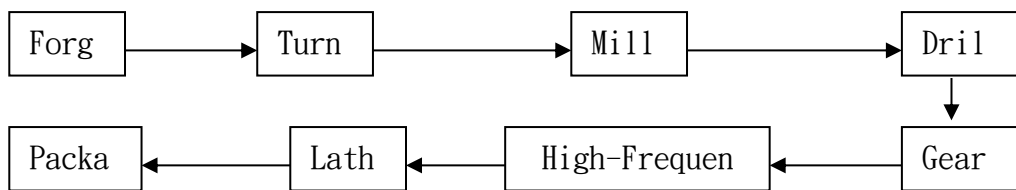
(1) Major Applications of Core Products

Key Products	Major Applications
Automatic Transmission Parts for Automobiles	Drivetrain and clutch devices in automatic transmission in automobiles
Torque Converter Parts	Automobile engine and liquid torque converter in automatic transmission
Clutch Parts	Clutch Parts for heavy-duty trucks

(2) Manufacturing Process

Torque Converter Parts

From the example of Hub Turbine in Torque Converter:



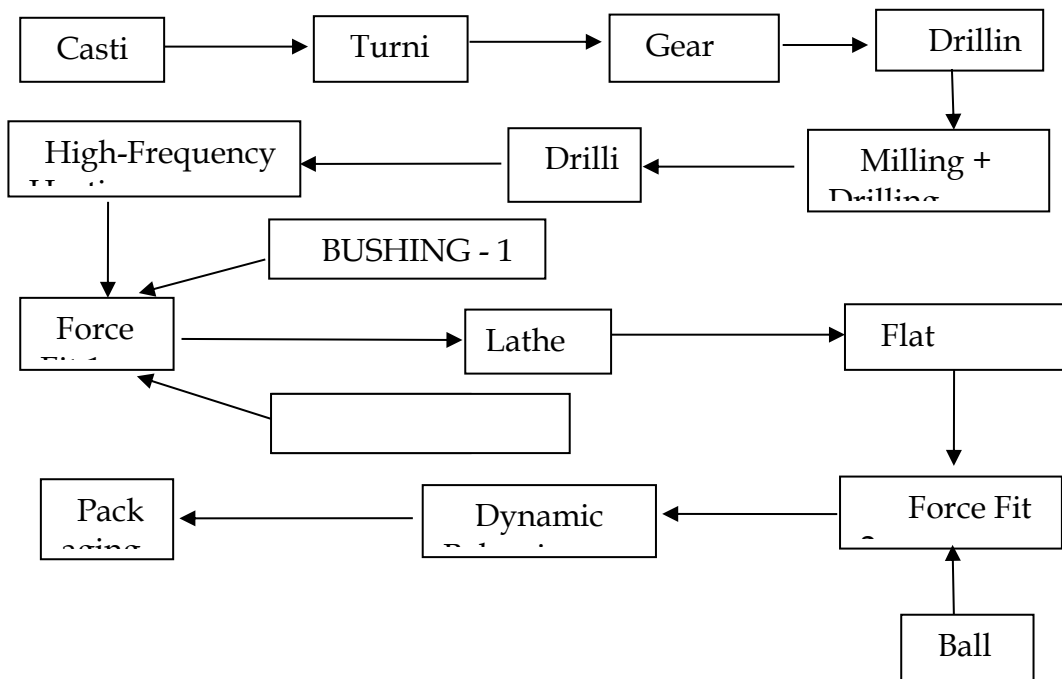
Clutch Parts

From the example of ADJUSTING RING of Clutch:



Automatic Transmission Parts for Automobiles

From the example of 4L80E DRUM of Auto Transmission:



(III) Supply of Key Raw Materials

Key Materials	Key Suppliers	Status
Castings	Qin-Mei, Shin-Li, Ya-Hsin	Good
Forgings	Sun Forging, Jin-Shiang	Good
Purchased parts	Guang Cheng	Good
Plates	Xie Yi	Good
Bars	Chieh An	Good
Stamping	Chao-Yuan	Good

(IV) List of Suppliers (Customers) that Have Accounted for At Least 10% of Purchase (Sales) in One of the Past Two Years and Reasons for Changes:

1. Information on Major Suppliers for the Most Recent Two Fiscal Years: Unit: NT\$ thousand; %

Item	2024				2025				As of the end of the previous quarter of fiscal year 2026 (Note 2)			
	Title	Amount	As a percentage of the net purchase in the year (%)	Relation with the Company	Title	Amount	As a percentage of the net purchase in the year (%)	Relation with the Company	Title	Amount	As a percentage of the net purchase in the year (%)	Relation with the Company
1	Create Steel	38,183	12.76	-	Create Steel	50,169	14.99	-	-	-	-	-
2	CMP	25,486	8.52	-	CMP	34,038	10.17	-	-	-	-	-
3	Others	235,511	78.72	-	Others	250,476	74.84	-	-	-	-	-
	Total Net Purchase	299,180	100.00		Total Net Purchase	334,683	100.00		-	-	-	-

Note 1: Supplier names and transaction amount and the associated percentage that accounted for 20% purchase in the past two years. Codes can be used for suppliers who cannot be disclosed due to contract terms or who are individuals and not related parties.

Note 2: Financial data from listed or brokerage-traded companies that are reviewed or audited by the independent auditors shall be disclosed up to the printing date of the annual report.

Note 3: Departments that are closed for business are not included.

Changes and reasons:

The Company's principal raw materials include forgings, castings, plates, and bars. There were no significant changes in major suppliers in 2025 and 2024. CMP primarily supplies castings, while Xie Yi primarily supplies rolled steel plates, both serving as production materials. Variations in procurement amounts over the two years were mainly attributable to changes in customer demand.

2. Information on Major Customers for the Most Recent Two Fiscal Years Unit: NT\$ thousand; %

Item	2024				2025				As of the end of the previous quarter of fiscal year 2026 (Note 2)			
	Title	Amount	As a percentage of the net sales in the year (%)	Relation with the Company	Title	Amount	As a percentage of the net sales in the year (%)	Relation with the Company	Title	Amount	As a percentage of the net purchase in the year (%)	Relation with the Company
1	TS	161,388	15.38	-	BW	174,647	16.59	-	-	-	-	-
2	BW	158,862	15.14	-	MP	152,887	14.53	-	-	-	-	-
3	MP	142,737	13.6	-	TR	145,418	13.82	-	-	-	-	-
4	Others	586,337	55.88	-	Others	579,468	55.06	-	-	-	-	-
	Total Net Sales	1,049,324	100.00		Total Net Sales	1,052,420	100.00		-	-	-	-

Note 1: Customer names and transaction amount and the associated percentage that accounted for 10% total sales in the past two years. Codes can be used for customers who cannot be disclosed due to contract terms or who are individuals and not related parties.

Note 2: Financial data from listed or brokerage-traded companies that are reviewed or audited by the independent auditors shall be disclosed up to the printing date of the annual report.

Note 3: Departments that are closed for business are not included.

Changes and reasons:

The Company primarily engages in the processing, manufacturing and trading of automotive parts and components. The application scope covers automotive and machinery industries. Our customers include well-known domestic and foreign automobile manufacturers and major automobile repair shops. The sales regions are mainly in America, Europe and Asia. The global automotive market in 2026 is expected to be affected by macroeconomic factors, and the overall industry growth momentum was conservative. Therefore, some OEM customers have adjusted their production pace, and demand has declined. However, strong demand in the aftermarket was offset by the appreciation of the NT\$, resulting in a slight year-over-year revenue increase of only 0.3% for the Group.

III. Information on employees for the most recent two years and as of the annual report's publication date:

Unit: person April 10, 2026

Year		2024	2025	As of March 31, 2026 (Note)
Number of Employees	Direct	189	171	175
	Indirect	140	129	128
	Total	329	300	303
Average Age		43.8	45.12	44.84
Average Years of Service		13.0	13.59	13.46
Educational Attainment Distribution	Ph.D.	0%	0%	0%
	Master's	6.38%	6.67%	6.60%
	College	48.63%	48.33%	49.17%
	High School	39.82%	39.00%	37.96%
	Others	5.17%	6.00%	6.27%

Note: Information should be filled in based on data up to the date of publication of the annual report.

IV. Expenditure for Environmental Protection

List any losses by the Company in the most recent fiscal year and up to the printing date of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, disposition dates, reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions). Disclosure of 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 for the facts shall be provided: No losses as a result of environmental pollution and disposal and no penalties imposed in 2025.

V. Labor Relationship:

(I) Employee Welfare Measures, Advanced Study, Training, Retirement System, and Its Implementation, as well as Labor–Employer Agreements and Various Employee Rights and the Implementation Status:

➤ Employee Welfare Measures:

As its management philosophy of "create profits, share with employees, and give back to society," Tsang Yow emphasizes the overall well-being and quality of life for its employees. The Company encourages work-life balance for employees. In addition to prioritizing professional development, the Company also focuses on employees' mental and physical well-being, striving to create a happy, friendly, and inclusive workplace.

All benefits apply to all employees regardless of nationality, gender, rank, or seniority. All Tseng Yung employees enjoy equal rights. We continuously review our benefit policies according to employee needs and social trends, providing a comprehensive system that

balances care for daily life and opportunities for growth and development.

1. For “Employee Safety Protection,” measures listed below are carried out by the individual business units according to the relevant regulations:

- (1) Newly hired employees are entitled to labor insurance, and national health insurance to receive associated protection.
- (2) Working uniform, including shoes and protection kits, are provided according to the job nature.
- (3) Provide employee health checkup and special operation check.
- (4) Establish employee safety office and occupational safety and health committee to carry out the related plans and operation.

2. For “Employee Life Improvement,” measures listed below are carried out by the individual business units according to the relevant regulations:

- (1) Employee dormitory: To ensure the safety and convenience of remote employees, Tsang Yow provides well-equipped and clean employee dormitories, with regular safety and environmental inspections to maintain accommodation quality.
- (2) Free meals: The Company has established a central kitchen for unified cooking and provides five dishes and one soup daily free of charge. Each factory has a spacious, clean, and well-ventilated employee restaurant to ensure employees receive healthy and diverse dietary care.
- (3) Create, according to laws, the employee welfare benefit committee, where the Company appropriates certain percentages from the sales and other income every month for employee benefit purposes such as in-house social gatherings and other subsidies. Including, hospitalization care, wedding/funeral subsidy, birthday gifting, and allowances for holiday, company trips and club activities, as well as ad hoc employee group activities.

Item	Content	No. of Participants/Beneficiaries	Actual Amount Invested in 2025 (NT\$ thousand)
Employee Travel Subsidy	Travel subsidy provided to employees with at least six months of service.	381 person-times	1,044
Festival Benefits	Provision of Lunar New Year bonuses, Labor Day and Dragon Boat Festival vouchers, and Mid-Autumn Festival gift boxes to employees with at least six months of service.	1,309 person-times	1,089
Marriage, Bereavement, and Celebration Allowances	Provision of marriage, hospitalization, and funeral subsidies to employees with at least six months of service.	44 person-times	103
Employee Birthday Gift	Employees with at least six months of service are granted a birthday gift of NT\$1,000.	316 person-times	316
Club Activity Subsidies	Each club may apply for annual funding subsidies to support its operations.	35 meetings	81

- (4) Club activities: to promote physical and mental health and team cohesion, the Company encourages employees to organize leisure clubs. At present, a number of diverse clubs have been established, including badminton, basketball, Pilates, and jogging clubs. Subsidies are also provided for club activities to encourage employees to develop interests and maintain an exercise habit.
2. An employee app is created to consolidate information on all aid and welfare programs available, including newsletters from the Company and the employee welfare committee, social welfare resources, psychological counseling, retirement/wealth management/insurance information, health and healthcare information, occupation safety, and designated shops to create diversified choices of welfares and to strengthen internal information.
- (6) Childcare subsidy program “0-6 years old childcare support” – to reduce the childcare burden on employees, the company implemented a childcare subsidy policy starting in 2025, providing childcare allowances to encourage employees to balance family and career development.
- Employees who support children aged 0-6 receive a monthly childcare allowance based on the number of children they support. If both spouses work at the Company, they can simultaneously receive both subsidies, providing practical support for dual-income families with children.
- This system is not limited by gender or job level. All eligible employees can apply, demonstrating the Company’s commitment to gender equality and family friendliness. A total of 22 people applied in 2025.
- (7) Parental leave without pay system: In compliance with the Act of Gender Equality in Employment and relevant laws and regulations, we provide a comprehensive parental leave without pay system to create a parent-friendly environment and help employees balance family and work.

Explanation	Female	Male	Total number of people
Number of people eligible to apply for parental leave in 2025	8	5	13
Actual number of people on childcare leave in 2025	1	0	1
Number of people expected to resume duty in 2025	2	0	2
Actual number of people reinstated in 2025	1	0	1
Number of employees on childcare leave in 2024	2	2	4
Number of employees reinstated from childcare leave in 2024	4	2	6
Number of people who resumed work 12 months after childcare leave in 2024	4	2	6

3. For “Improving Working Knowledge Level,”

- (1) The Company has established a complete training program, including professional skills, core competency, management skill training and related certification systems. The HR Department has dedicated training staff, which follows Talent Quality-management System, TTQS, hosting various employee skill training and workshop from time to time.
- (2) Set up employee reading room for access to newspaper and magazines.
- (3) Provide health seminar to assist employee create proper and correct health concepts.

4. For “Stabilizing Employee Retirement Life”:

The Company has established a comprehensive pension system in accordance with the Labor Standards Act (old labor pension system, defined benefit plan) and the Labor Pension Act (new labor pension system, defined contribution plan), and has set up a “Labor Pension Reserve Supervisory Committee” to oversee pension contributions and their utilization.

The Company safeguards the rights and interests of employees under both the old and new systems, ensuring that the pension contribution mechanism is transparent, fair, and stable, thereby assisting employees in maintaining their quality of life after retirement and achieving the dual objectives of corporate sustainability and employee care.

(1) Pension System Framework and Implementation

● Old Pension System: (Applicable to employees hired before July 1, 2005)

In accordance with the Labor Standards Act, the Company makes monthly contributions to a labor pension reserve account established with the Bank of Taiwan. The balance of the reserve account is reviewed before the end of each year to ensure sufficient funding and compliance with statutory requirements.

Employer contribution amount in 2025: NT\$863 thousand

A total of 5 employees retired in 2025, and the amount of benefits paid was NT\$2,783 thousand (please refer to the “Post-employment Benefits Plan” section in the Company’s annual report).

● New Pension System: (Applicable to employees hired on or after July 1, 2005)

In accordance with the Labor Pension Act, the Company contributes 6% of each employee’s monthly salary to an individual account maintained by the Bureau of Labor Insurance. Employees may voluntarily contribute up to an additional 6% of their monthly wages.

As of the end of 2025, the proportion of employees making voluntary contributions was 14.63%.

Defined benefit amount for 2025: NT\$9,844 thousand (please refer to the “Employee Benefits Expense” section in the Company’s annual report).

- (2) Deferred Retirement Mechanism: In compliance with amendments to the Labor Standards Act, the Company has established a deferred retirement system. In 2025, one employee was employed under this arrangement.

(3) Post-Retirement Reemployment System

The Company encourages senior employees to continue contributing their professional expertise. Following retirement, subject to the employee’s willingness and health condition, the Company may rehire the individual in a suitable position based on their expertise and departmental needs, thereby facilitating knowledge transfer and maintaining organizational continuity.

(4) System Supervision and Transparency

To ensure the sustainability and soundness of the pension system, the Company convenes the “Labor Pension Reserve Supervisory Committee” on a regular annual basis to review contribution status, oversee fund utilization, and evaluate investment performance.

All contributions and payments are disclosed in the annual financial statements and sustainability report in accordance with accounting standards, and are subject to internal audits and external auditor reviews to ensure transparency and reliability of information.

- (II) List any losses by the Company in the most recent fiscal year and up to the printing date of the annual report due to labor disputes (including any violations of the Labor Standards Act during labor inspection, information including disposition dates, reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions). Disclosure of an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

VI. Cyber Security Management

(I) Cyber security risk management framework, and policies, with concrete management programs and resources investments for the operation:

➤ Cyber security risk management framework and management programs:

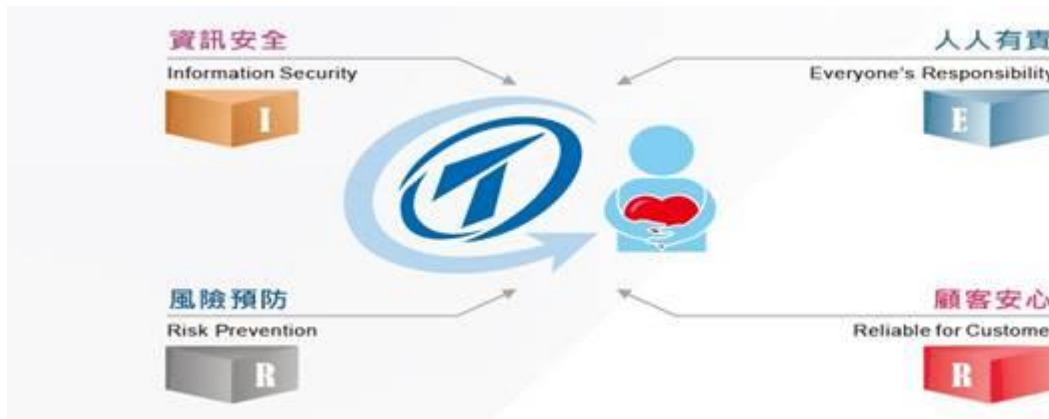
1. The Company has set up the “Cyber Security Committee,” composed of top managers and hands-on members from the management program. Under the committee, there are committee chairman, taking up by the President or the representative, who will administer cyber security operation, research (review) the related policies, counterstatement and management for results from the related risk identifications, and supervise cyber securing reporting (including results from internal and external audits and possible improvement) from the operation execution unit (the Management Department under the General Administration Division) for reducing the risks and increase the management. The committee meets regularly (at least once a year) and convenes ad hoc meetings (according to the business needs and occurrence of cyber security incidents).
2. Report the implementation of information security risk management to the Board of Directors annually.
3. Staffing: a manager and a working crew.
4. Through formulating the cyber security policy, as the action-taken guideline for planning and executing cyber security management system, the entire employee body are able to comply accordingly; and there is a communication standard to communicate with interested parties.
5. Cyber security risk evaluation and identification are implemented regularly. For high-risk items, after identification, the associated management program is formulated for a pertinent management mechanism to prevent internal and external threats from all sorts for cutting down cyber security risks.
6. For material information system, a framework of high availability (HA) and reliance, data backup, backed-up facility in remote location, as well as emergency planning and the related drills for every six months, is created to ensure efficacy of the protection

mechanism for system recovery purpose. In addition, cyber security insurance has been purchased to shift the associated risks.

7. Based on operation involved, employees are given needed training and advocacy session to increase awareness and knowledge for cyber security from the entire employee body.

➤ **Cyber Security Policy:**

To ensure the confidentiality, integrity and availability from information assets, the Company has formulated a cyber security policy, which the entire employee body are required to follow, to establish the concept, “Cyber security, a responsibility of everyone,” and to receive related training for increasing the awareness of and knowledge about cyber security. In addition, risk evaluation and identification are implemented regularly in order to plan, carry out and review the associated operation guidance for continuously improving the management efficacy and conducting emergency recovery drills, so as to ensure the Company’s cyber security, to prevent information leaking, to meet the operation needs, and to assure customers’ trust.



➤ **Resources Investments for Cyber Security Operation:**

1. Annual Plan and Budget: Based on unacceptable risks identified through information security risk assessment, the Company formulates an information security management plan and allocates a corresponding budget each year. The plan is submitted to the “Information Security Committee” for review and approval prior to implementation. The execution results of the management plan and information security performance are regularly reported to the Board of Directors.
2. Education training:
 - 2.1 In 2025, a total of 34 new employees received information security training to familiarize them with the Company’s information security policies and requirements.
 - 2.2 In 2025, a total of 344 participants completed information security training courses and assessments to enhance employees’ awareness of information security, strengthen understanding of trade secret protection, effectively prevent potential threats and attacks, and reduce the risk of information leakage.
 - 2.3 In 2025, phishing email simulation tests were conducted for employees, and those who did not pass were required to attend additional information security training to enhance awareness and reduce the risk of email fraud and data leakage.
 - 2.4 In 2025, information security executives and designated personnel attended external training programs, with a total training duration of 34 hours.

- 2.5 In 2025, six information security awareness campaigns were conducted using current news events and real email cases to further strengthen employees' information security awareness.
3. In 2025, emergency response procedures were implemented to ensure prompt and effective handling of information security incidents.
4. In 2025, total expenditures for the information security management plan amounted to NT\$2.37 million:
 - 4.1 Signing of maintenance contracts for the replacement of old hardware, anti-virus, anti-hack, intrusion detection and other information security systems.
 - 4.2 Completion of website security testing, vulnerability scanning, and source code scanning.
 - 4.3 Implementation of comprehensive information security assessments to fully understand the security status of information systems, ensure system stability, and eliminate potential unsafe activities and behaviors.
5. Information security related meetings:

In 2025, a total of 28 meetings were convened regarding information security management, policies, and regulations to ensure continuous enhancement of the Company's information security measures and the effective operation of the information security management framework.
6. In 2025, an information security audit plan was established and regularly executed to safeguard the Company's information assets and confidential documents, reduce potential information security risks, and implement corrective actions and improvements for any identified non-conformities.
7. The Company continues to participate in the Taiwan Computer Network Emergency Response & Coordination Center (TWCERT/CC) alliance and other information security intelligence-sharing organizations to obtain cybersecurity alerts, threat intelligence, and vulnerability information, while engaging in ongoing information exchange to strengthen collaborative cybersecurity defense.
8. The Company promotes the implementation of the ISO 27001 Information Security Management System (ISMS) through seed personnel training and system introduction, and establishes comprehensive management processes and documentation frameworks to enhance information security governance and internal control mechanisms.

2025 資安管理方案與執行成果



(II) The Losses by the Company Due to Major Cyber Security Incidents in the Most Recent Year and Up to the Printing Date of the Annual Report, Including the Possible Impacts, and the Countermeasures: None

VII. Material Contracts

Contract Type	Counter Party	Contract Start and End Dates	Summary	Restrictive Clause
Loan Agreement	First Commercial Bank	2025/11/27-2026/11/27	Mid-term loan of NT\$180 million, revolving	Collateral: not secured
	Mega International Commercial Bank	2018/11/19-2028/11/19	Type A secured mid-term loan of NT\$150 million, non-revolving	Collateral: real estate of Zhongshan Plant ²
		2025/10/11-2026/10/10	Type B mid-term loan of NT\$100 million, revolving	
	E.SUN Commercial Bank	2018/10/04-2033/11/19	Secured long-term loan of NT\$150 million, non-revolving	Collateral: real estate of Chenggong Plant

Five. Review, analysis and risk matters of financial condition and financial performance

I. Financial Condition

1. Consolidated Financial Statements Unit: NT\$ thousand

Item \ Year	End of 2024	End of 2025	Difference	
			Amount	%
Current assets	987,289	894,514	(92,775)	(9.40)
Investment Using Equity Method	58,008	58,439	431	0.74
Property, Plant and Equipment (Note)	1,192,028	1,336,751	144,723	12.14
Intangible assets	3,629	7,346	3,717	102.42
Other Assets	85,596	83,271	(2,325)	(2.72)
Total Assets	2,326,550	2,380,321	53,771	2.31
Non-Current Liabilities (Note)	354,442	313,555	(40,887)	(11.54)
Long-term borrowings (Note)	65,078	37,028	(28,050)	(43.10)
Other liabilities	6,968	3,047	(3,921)	(56.27)
Total Liabilities	426,488	353,630	(72,858)	(17.08)
Common Stock Capital	1,030,865	1,030,865	0	0
Capital surplus	159,501	159,517	16	0.01
Retained earnings	686,549	703,779	17,230	2.51
Other equity	(1,827)	4,383	6,210	(339.90)
Treasury Shares (Note)	(11,780)	-	11,780	(100.00)
Non-Controlling Interests (Note)	36,754	128,147	91,393	248.66
Total Shareholders' Equity	1,900,062	2,026,691	126,629	6.66

Main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years (if there is a 10 percent or more variation in the monetary amounts, and if such sum has reached NT\$10 million), describe the effect thereof, and measures to be taken in response:

1. Property, Plant and Equipment: YORU-MY entered into a contract to acquire a plant in 2024 and continued to invest in construction payments during the current period; in addition, YOWIN acquired employee dormitories during the current year in the amount of MYR 1,689 thousand, resulting in an increase in the ending balance.
2. Current Liabilities: Primarily due to the continued repayment of borrowings during the current period, and borrowings were not renewed upon maturity.
3. Long-term Borrowings: As funds have been relatively sufficient in the near term, the Company's borrowing policy during the current period focused on the continued repayment of borrowings, with no renewals upon maturity.

Item	Year	End of 2024	End of 2025	Difference	
				Amount	%
4. Treasury Shares: In 2024, the Company's Board of Directors resolved to transfer treasury shares to employees, and such shares were delivered in 2025.					
5. Non-controlling Interests: The Company continued to increase its investment in subsidiaries during the current period, with non-controlling interests maintaining capital increases at the same shareholding ratio.					

2. Parent Company Only Financial Statements Unit: NT\$ thousand

Item	Year	End of 2024	End of 2025	Difference	
				Amount	%
Other Assets (Note)		974,570	821,523	(153,047)	(15.70)
Investment Using Equity Method (Note)		108,772	222,461	113,689	104.52
Property, plant and equipment		1,136,895	1,136,050	(845)	(0.07)
Intangible assets		3,629	7,346	3,717	102.42
Other Assets		62,003	55,903	(6,100)	(9.84)
Total Assets		2,285,869	2,243,283	(42,586)	(1.86)
Non-Current Liabilities (Note)		350,515	304,664	(45,851)	(13.08)
Long-term borrowings (Note)		65,078	37,028	(28,050)	(43.10)
Other liabilities		6,968	3,047	(3,921)	(56.27)
Total Liabilities		422,561	344,739	(77,822)	(18.42)
Common Stock Capital		1,030,865	1,030,865	0	0
Capital surplus		159,501	159,517	16	0.01
Retained earnings		686,549	703,779	17,230	2.51
Other equity		(1,827)	4,383	6,210	(339.90)
Treasury Shares (Note)		(11,780)	0	11,780	(100.00)
Total Shareholders' Equity		1,863,308	1,898,544	35,236	1.89

Main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years (if there is a 10 percent or more variation in the monetary amounts, and if such sum has reached NT\$10 million), describe the effect thereof, and measures to be taken in response:

1. Current Assets: Cash and cash equivalents decreased during the current period due to continued repayment of borrowings, increased investment, and the acquisition of property, plant and equipment; in addition, ongoing inventory reduction efforts also contributed to a decline in the balance of current assets.
2. Investments Accounted for Using the Equity Method: The variance was primarily due to the continued increase in investments in subsidiaries in Malaysia and Singapore during the current period.
3. Current Liabilities: Primarily due to the continued repayment of borrowings during the

current period, and borrowings were not renewed upon maturity.

4. Long-term Borrowings: As funds have been relatively sufficient in the near term, the Company's borrowing policy during the current period focused on the continued repayment of borrowings, with no renewals upon maturity.
5. Treasury Shares: In 2024, the Company's Board of Directors resolved to transfer treasury shares to employees, and such shares were delivered in 2025.

II. Financial Performance

(I) Analysis and explanation of major changes in revenue, income from operation and pre-tax income from the past two years:

1. Consolidated Financial Statements Unit: NT\$ thousand

Item \ Year	2024	2025	Increase (Decrease)	Change (%)
Net operating revenue	1,049,324	1,052,420	3,096	0.30
Operating costs	757,464	711,639	(45,825)	(6.05)
Gross profit	291,860	340,781	48,921	16.76
Income from Operation (Loss) (Note)	119,601	165,013	45,412	37.97
Non-operating Income and Expenses (Note)	88,990	6,798	(82,192)	(92.36)
Profit before income tax	208,591	171,811	(36,780)	(17.63)
Income Tax Benefit (Expense) (Note)	(48,014)	(32,893)	15,121	(31.49)
Current Net Income	160,577	138,918	(21,659)	(13.49)

If there is a 20 percent or more variation in the monetary amounts, and if such sum has reached NT\$10 million or more, an analysis of the variation is provided:

1. Net operating profit: Driven by increased market demand for AM and OES, revenue rose. Coupled with ongoing adjustments to the product structure and cost controls, net operating profit has trended upward.
2. Non-operating income and expenses: Primarily due to the impact of fluctuations in USD and JPY exchange rates on net exchange gains and losses.
3. Income tax expense: Income tax expense decreased as net income before tax declined.

Note: Excluding realized (unrealized) loss from transaction from affiliated companies

2. Parent Company Only Financial Statements Unit: NT\$ thousand

Item \ Year	2024	2025	Increase (Decrease)	Change (%)
Net operating revenue	1,055,982	1,045,538	(10,444)	(0.99)
Operating costs	760,410	701,488	(58,922)	(7.75)
Gross profit	295,572	344,050	48,478	16.40
Realized gross profit	291,653	338,191	46,538	15.96

Income from Operation (Loss) (Note)	124,115	166,576	42,461	34.21
Non-operating Income and Expenses (Note)	87,049	6,721	(80,328)	(92.28)
Profit before income tax	211,164	173,297	(37,867)	(17.93)
Income Tax Benefit (Expense) (Note)	(48,014)	(32,893)	15,121	(31.49)
Net income for the period	163,150	140,404	(22,746)	(13.94)

If there is a 20 percent or more variation in the monetary amounts, and if such sum has reached NT\$10 million or more, an analysis of the variation is provided:

1. Net operating profit: Revenue increased due to demand from the AM and OES markets. Furthermore, continuous adjustments to the product structure and cost control measures led to a rise in net operating profit.
2. Non-operating income and expenses: Primarily due to the impact of fluctuations in USD and JPY exchange rates on net exchange gains and losses.
3. Income tax expense: Income tax expense decreased as net income before tax declined.

Note: Excluding realized (unrealized) loss from transaction from affiliated companies

(II) Sales forecast and the basis therefor, with the effect on the Company's financial operations, as well as measures taken in response: Not applicable.

III. Cash Flow:

(I) Analysis of liquidity from the past two years:

Unit:

NT\$ thousand

Item	2024	2025	Changes and Reasons:
Net cash inflow used in operating activities	181,516	291,559	110,043
Net Cash from Investment Activities	(219,477)	(225,491)	(6,014)
Net Cash from Financing Activities	(358,680)	(103,065)	255,615

Data source: Audited and certified consolidated financial statements by CPAs.

Analysis of Cash Flow Changes from the Current Year:

- (1) Net cash inflow from operating activities increased by NT\$110,043 thousand, primarily due to an increase in profit before tax and a decrease in income tax payments during the current period.
- (2) Net cash outflow from investing activities increased by NT\$6,014 thousand, mainly due to an increase in expenditures for the acquisition of property, plant and equipment during the current period.
- (3) Net cash outflow from financing activities decreased by NT\$255,615 thousand, primarily due to a decrease in the amount of borrowings repaid during the current period compared to the previous period.

(II) Improvement plan for insufficient liquidity: Not applicable.

(III) Cash flow analysis for the next year: Unit: NT\$ thousand

Cash Balance at the Beginning of the Year A	Estimated Net Cash Flow from Operation Activities throughout the year B	Projected cash flow for the year C	Estimated Cash Surplus (Shortage) A+B-C	Possible Remedy Measure Taken for the Shortage	
				Investment Plan	Financing Plan
420,826	293,112	392,556	321,382	0	0
<p>Analysis and Explanation</p> <p>(1) Net cash inflows from operating activities was attributable to the increase in net change in cash inflows from assets and liabilities.</p> <p>(2) Investing activities: Capital contributions to subsidiaries and the purchase of smart machinery and equipment resulted in net cash outflows from investing activities.</p> <p>(3) Net cash outflow from repayment of long-term borrowings and payment of cash dividends.</p> <p>(4) Remedial measures for expected cash shortage: In view of the above effects, the Company is expected to have sufficient working capital throughout the year, and no cash shortage has occurred.</p>					

IV. Impacts from Major Capital Expenditures to the Financials in the Most Recent Year:

The Company's major capital expenditures in recent years have primarily been for automated equipment and intelligent control systems acquired to transform its production model into a smart factory, and for replacing older equipment to align with ESG sustainable development goals. These expenditures have been funded mainly by working capital and bank loans, and have not yet had a significant impact on its financial performance.

V. Reinvestment Policy in the Most Recent Fiscal Year, Main Reasons for Profit or Loss, Improvement Plans, and Investment Plans for the Coming Year:

December 31, 2025 Unit: NT\$ thousand

Item	Explanation	Investment Cost	Recognized investment gains and losses in the most recent year	Policy	Main Reason for Profit/Loss
YORU Tech SDN. BHD.		140,081	(1,096)	The plant is in the process of equipment installation, production will commence upon completion of customer certification.	During the Company's preparation period, related expenditures have been incurred, and it has not yet entered the mass production stage.
YORU Tech PTE. LTD.		18,060	(6,580)	General trading operations.	Trading margin differences prior to the completion of the Malaysia plant.
YOWIN Tech SDN. BHD.		17,706	(531)	Real estate investment.	Expenditures related to the establishment of the Company.

Apex Fortune Co., Ltd	58,008	(1,602)	Expansion into the semiconductor market and the establishment of a third production base.	Expenditures incurred during the Company's preparation period are being reinvested in the establishment of new plants.
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The Company invested more than 60% of paid-in capital in the venture. It is stipulated in the Articles of Incorporation that when becoming a shareholder of a limited liability venture, the Company is not bonded by Article 13 under the Company Act, provided it is not 100%-held.

Improvement Plans, and Investment Plans for the Following year:

YORU Tech SDN. BHD. was established in Malaysia through a joint venture, with an estimated investment of US\$6.6 million, to manufacture and sell semiconductor and medical-related components. The Company is committed to enhancing its technological advantages, promoting product transformation, entering new industry segments and diversified product markets, and increasing revenue capacity. The capital increase has been partially completed.

YORU Tech PTE. LTD. was established in Singapore through a joint venture, and the capital increase has not yet been completed.

YOWIN Tech SDN. BHD., a wholly-owned subsidiary, was established in Malaysia, and employee dormitories were acquired. The capital increase has not yet been completed.

An investment of THB60 million was made in Apex Fortune Co., Ltd. in Thailand to manufacture and sell aluminum forgings, aluminum extrusions, and other metal components. The Company holds a 20% equity interest, and the capital increase has not yet been completed.

VI. Risk Events Analysis and Evaluation

(I) The Impacts of Interest Rate, Exchange Rate Changes and Inflation on the Company's Profit and Future Countermeasures:

(1) Change of interest rate

The Company's short-term and long-term bank borrowing interest rates in 2025 ranged from approximately 1.98% to 2.00%, which were comparable to the previous year. As the Company has maintained an appropriate debt ratio, it is favorable for negotiating financing interest rates. The Company has dedicated financial personnel that evaluate bank lending rates from time to time and pay close attention to international and domestic financial markets, as well as maintaining close relations with banks to obtain favorable funding rates and ample credit lines.

(2) Change of exchange rates

The export of the Company's products accounts for about 80% of the overall operating revenue. The export of products is mainly denominated in US\$, EUR and RMB. The overall operation of the Company adopts a net position for natural hedging. The Company's foreign exchange gains (losses) for 2024 and 2025 were NT\$50,396 thousand and NT\$(12,012) thousand, respectively, representing 24.16% and (6.99)% of profit before tax for each respective year. To mitigate the potential impact of exchange rate fluctuations on profitability, the Company maintains close communication with its principal banks and closely monitors foreign exchange market movements, which also serve as a basis for sales pricing decisions, thereby reducing the impact of exchange rate volatility on operating profits.

(3) Impacts from inflation

Quotes provided to the Company's customers are adjusted by market condition, so that

inflation impacts are limited. In addition, the Company pays close attention to price fluctuation in the market. There have not been imminent significant incidents caused by inflation.

(II) Policies on Engaging in High-risk and High-leverage Investments, Lending Funds to Others, and Endorsements and Guarantees, as well as Derivative Transactions, Main Causes of Profit and Loss as well as Future Countermeasures:

The Company has not engaged in high-risk and high-leverage investments, or derivative trading. In addition, the Company has established the “Procedures for Acquisition or Disposal of Assets,” “Procedures for Lending Funds to Others,” and “Regulations Governing Endorsements and Guarantees,” all of which have been approved by the shareholders’ meeting and serve as the basis for the Company and its subsidiaries in conducting related activities. As of the date of publication of the annual report, there have been no instances of intercompany lending or endorsements and guarantees among subsidiaries.

(III) Future R&D Plans and Expected R&D Expenditures:

■ Future R&D Projects:

- 14 semi-conductor equipment parts
- 30 industrial machinery parts
- A total of 5 automatic transmission components for automobiles.
- A total of 2 automotive and truck clutch products.

■ Expected R&D expenses in 2026: NT\$50,044 thousand

(IV) Impact of Significant Domestic and International Policy and Legal Changes on the Company’s Financial and Business Operations and Countermeasures:

The Company always operates in accordance with domestic and international laws and regulations and pays close attention to the latest policies and law updates to assist in management decision-making, as well as modifying the internal control system and operation activities for business stability. For the recent year up to the printing date of the annual report, there had not been impacts to the financials due to changes of important domestic/foreign policies and laws.

(V) Impacts of Changes in Technology (including Cyber Security Risks) and Industry on the Company’s Financials and Countermeasures:

The sales and R&D departments always study market and technology trends and keep close attention to supply/demand dynamic and new technology and impacts to the Company brought by technology and market. The Company will continue upgrading production quality and efficiency and will make efforts in new product development for better competitiveness. Therefore, there had not been impacts on the financials due to changes in technology and industry.

(VI) Impacts of Change of Corporate Image on the Crisis Management and Countermeasures:

The Company upholds business principles of professionalism and integrity and places great importance on corporate image and risk control to obtain employee solidarity and customer recognition. For the most recent year up to the printing date of the annual report, there had not been crisis incidents due to changes of corporate image.

(VII) Expected Benefits and Possible Risks Brought by Merger and Acquisitions, and Countermeasures:

Up to the printing date of the annual report, there had not been any mergers and acquisition plans.

(VIII) Expected Benefits and Possible Risks Brought by Any Plant Expansion, and Countermeasures:

For the most recent year up to the printing date of the annual report, expected benefits from plant expansion included better production yield and efficiency and possibilities for new customer orders. The funding expansion mainly came from steady operation cash flows and bank borrowings, which have not caused potential for significant risks.

(IX) Risks from Concentrating Sales or Purchasing, and Countermeasures:

(1) Purchasing:

The Company adopts a diversified – purchasing network: There are more than two long-term supplying sources for every key material. In the meantime, sourcing for new suppliers is conducted on an on-going basis to avoid material shortage or manufacturing suspension. Therefore, the Company is not exposed to the risk of concentrated purchase.

(2) Sales:

Core products of the Company include parts used in automobile automatic transmission, clutch parts for heavy-duty trucks, and drivetrain parts for industrial machinery, which cover a wide variety of sectors. In addition, the Company maintains healthy relations with its customers who are mainly major car brands and car repair chains. Sales figures continue to stay at a certain level, while they selling to top customers various and changes depending on their business condition. The Company has long-term relationships with its existing customers while striving to acquire new customers to expand and diversify the customer base. There have been no risks of concentrating sales.

(X) Impacts, risks, and countermeasures of directors, supervisors, or shareholders with a shareholding exceeding 10%, large shareholder rights transfer, or change on the Company:

There had not been large shareholding rights transfer from the current directors, supervisors or shareholders who hold 10% shareholding or more.

(XI) Impact and risk on the Company due to change in management rights, and responsive measures: None.

(XII) Company and Director, Supervisor, President, Substantial Person in charge of the Company, Major Shareholder with A Shareholding Percentage Exceeding 10%, and Affiliate of the Company that Has Received Any Affirmative Ruling or Is Involved in Any Pending Major Litigation, Non-contentious Case or Administrative Dispute Event, and the Result Thereof may Have Major Impacts on the Shareholders' Rights or Stock Price; Relevant Dispute Facts, Subject Matter Amount, Litigation Starting Date, Main Parties Involved in the Litigation, and the Handling Status Up to the Printing Date of the Annual Report Required to be Disclosed: None.

(XIII) Other Significant Risks and Countermeasures: None.

VII. Other Important Matters: None.

Six. Special Notes:

I. Summary of Affiliated Companies:

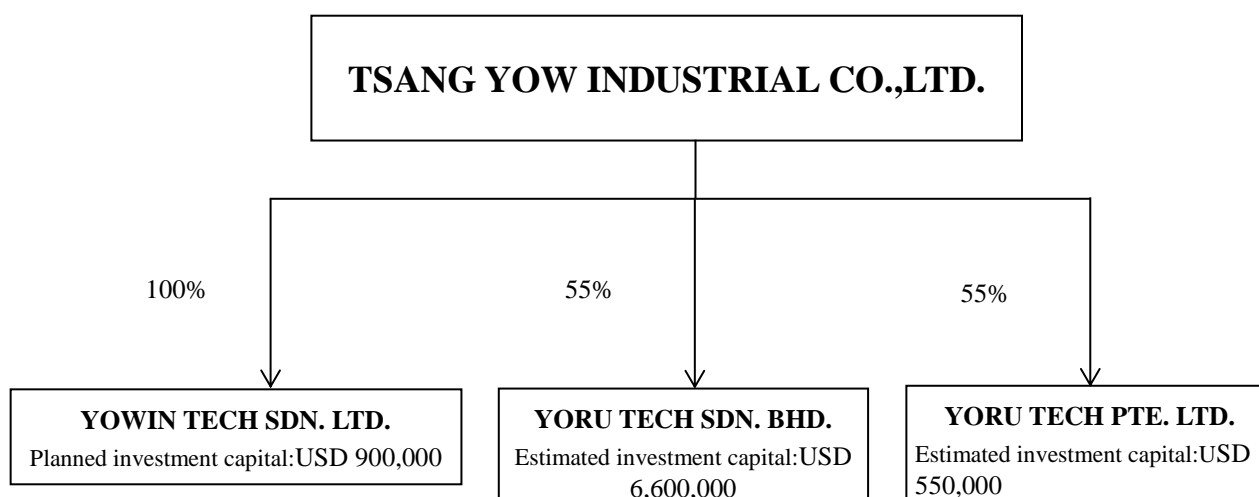
(I) Consolidated Financial Statement:

For the year 2025 (from January 1, 2025 to December 31, 2025), the companies required to be included in the consolidated financial statements of affiliated enterprises under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are identical to those required to be included in the consolidated financial statements of the parent and subsidiaries under IFRS 10. As the relevant information required to be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned consolidated financial statements of the parent and subsidiaries, no separate consolidated financial statements of affiliated enterprises have been prepared. Please refer to the Market Observation Post System (MOPS).

(II) Affiliation Report: None

(III) Consolidated Business Reports Covering Affiliated Entities

1. Affiliation Chart



2. Basic information of related enterprises
December 31, 2025

Unit: NT\$ thousand/USD thousand

Company Name	Date of Establishment	Address	Paid-in Capital	Business Activity
YORU Tech SDN. BHD. (Note 1)	September 19, 2023	No. 21, Jalan SILC 4/4, Kawasan Perindustrian SILC, 79200 Iskandar Puteri, Johor	USD 4,482.5	Production and sale of semiconductors and medical-related components
YORU Tech PTE. LTD. (Note 2)	2024.01.05	120 ROBINSON ROAD #13-01 SINGAPORE(068913)	USD 550.0	General trade
YOWIN Tech SDN. BHD. (Note 3)	2024.11.15	50, JALAN KEMPAS UTAMA 2/2 TAMAN KEMPAS UTAMA 81300 JOHOR BAHRU JOHOR MALAYSIA	USD 551.9	Investment in real estate

Exchange rate: 31.43

Note 1: None of the Company's affiliated enterprises holds shares in the Company.

Note 1: A 55%-owned joint venture subsidiary established in Malaysia with RonJye Enterprise Co., Ltd. in 2023, with partial capital increase completed.

Note 2: A 55%-owned joint venture subsidiary established in Singapore with RonJye Enterprise Co., Ltd. in 2024, with capital increase not yet completed.

Note 3: A wholly-owned subsidiary established in Malaysia in 2024, fully funded by the Company, with capital increase not yet completed.

3. Information on common shareholders presumed to have control and subordinate relationships: None.

4. Industries Covered by the Overall Operations of Affiliated Enterprises: The consolidated group's operations include the manufacture and sale of semiconductor and medical-related components, investment activities, and general trading:

The consolidated group is geographically divided into Malaysia (YORU Tech SDN. BHD., YOWIN Tech SDN. BHD.) and Singapore (YORU Tech PTE. LTD.), providing global customers with prompt services and technical support.

5. Directors, Supervisors, and Presidents of the Affiliates

Unit: thousand shares

Company Name	Title	Name or Representative	Current Shareholding	
			Number of shares	Shareholding %
(Note 1)	Director	Tsangyow Industrial Co., Ltd Representative: Chi-Hu Su Tsangyow Industrial Co., Ltd Representative: Chen-Yi Chu	19,253,520	55%
(Note 2)	Director	Tsangyow Industrial Co., Ltd Representative: Chi-Hu Su Tsangyow Industrial Co., Ltd Representative: Chen-Yi Chu	727,656	55%
(Note 3)	Director	Tsangyow Industrial Co., Ltd Representative: Chi-Hu Su Tsangyow Industrial Co., Ltd Representative: Chen-Yi Chu	2,374,490	100%

Note 1: A 55%-owned joint venture subsidiary established in Malaysia with RonJye Enterprise Co., Ltd. in 2023, with partial capital increase completed.

Note 2: A 55%-owned joint venture subsidiary established in Singapore with RonJye Enterprise Co., Ltd. in 2024, with capital increase not yet completed.

Note 3: A wholly-owned subsidiary established in Malaysia in 2024, fully funded by the Company, with capital increase not yet completed.

6. Operational Overview of Affiliated Enterprises

December 31, 2026

Unit: NT\$ thousand; NT\$ earnings per share

Company Name	Paid-in Capital	Total Assets	Total Liabilities	Worth	Operating revenue	Net operating income	Profit for the period (after tax)	Earnings per share (after tax)
YORU Tech SDN. BHD.	254,692	267,881	14,193	253,688	31,526	(65)	(1,993)	(1,993.00)
YORU Tech PTE. LTD.	32,836	42,027	10,944	31,083	33,009	(1,053)	(1,310)	(1,310.05)
YOWIN Tech SDN. BHD.	17,706	17,370	194	17,176	0	(445)	(531)	(530.80)

Note 1: A 55%-owned joint venture subsidiary established in Malaysia with RonJye Enterprise Co., Ltd. in 2023, with partial capital increase completed.

Note 2: A 55%-owned joint venture subsidiary established in Singapore with RonJye Enterprise Co., Ltd. in 2024, with capital increase not yet completed.

Note 3: A wholly-owned subsidiary established in Malaysia in 2024, fully funded by the Company, with capital increase not yet completed.

Note 4: As of December 31, 2025, exchange rates applied: asset and liability items were translated using year-end exchange rates (MYR: 7.481; SGD: 24.45), while income statement items were translated using annual average exchange rates (MYR: 7.0132; SGD: 23.8475).

II. Private Placement Securities in the Most Recent Year and Up to the Printing Date of the Annual Report: None.

III. Other Necessary Supplementary Disclosures: None.

Seven. Any Events in the Most Recent Year and up to the Printing Date of the Annual Report That Had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Act: None.

Eight. The information required to be disclosed as specified above shall be published and reported on the information reporting website (MOPS) designated by the competent authority, and an index for inquiring about the recorded information shall be provided:

I. Consolidated Business Reports Covering Affiliated Entities: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Financial Statements: https://mopsov.twse.com.tw/mops/web/t57sb01_q1

TSANG YOW INDUSTRIAL
CO.,LTD.

Chairman: Chi-Tse Su