



Stock Code: 7718

# SPEC PRODUCTS CORP.

## 2025 Annual Report



Annual Report Access Website: Market Observation Post System

<http://mops.twse.com.tw>

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Website for Inquiry of the Company's Annual Report Related

Information: <http://www.spec.com.tw>

**Published on April 20, 2026**

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## One. Report to Shareholders

Dear Shareholders,

First and foremost, we sincerely thank you for your continued support of the Company. Your recognition remains the driving force behind SPEC Products Corp.'s sustained growth.

We would like to present to you an overview of the Company's operations, R&D progress, and sales outlook for last year and this year, as outlined below:

### 1. 2025 Business Report

#### (1) 2025 Business Plan Implementation Outcomes:

- A. In 2025, the global economic environment continued to face multiple challenges, including easing inflationary pressures in major countries, but monetary policies remained relatively tight. International interest rates remained high, and geopolitical conflicts continued, impacting the stability of global supply chains and corporate investment sentiment. For the year 2025, the consolidated operating revenue of the Company and its subsidiaries amounted to NT\$2,443,169 thousand, an increase of NT\$34,701 thousand, or 1.44%, compared to the same period last year. The consolidated gross profit was NT\$ 427,119 thousand, a decrease of NT\$57,607 thousand, or 11.88%, compared to the same period last year. The consolidated operating income was NT\$200,212 thousand, a decrease of NT\$29,597 thousand, or 12.88%, compared to the same period last year. The consolidated pre-tax net profit was NT\$213,363 thousand, a decrease of NT\$95,573 thousand, or 30.94%, compared to the same period last year.
- B. The Company did not disclose the financial forecast for 2025, so there is no budget execution.

#### (2) Financial Revenues and Expenditures:

- A. Income: The consolidated net operating revenue of 2025 was NT\$2,443,169 thousand. The 2025 consolidated net non-operating income and expenditure amounted to NT\$13,151 thousand.
- B. Expenditure: The consolidated operating costs of 2025 was NT\$2,016,050 thousand. The consolidated operating expenses for 2025 were NT\$226,907 thousand.
- C. Earnings: 2025 consolidated net profit before tax was NT\$213,363 thousand, income expense was NT\$44,455 thousand, and net profit after tax was NT\$168,908 thousand for the period.

#### (3) Profitability analysis:

- A. Return on assets: 8.38%.
- B. Return on equity: 11.78%.
- C. Net profit margin: 6.91%.
- D. Basic earnings per share (NT\$): 3.75

#### (4) R&D status:

The Company and its subsidiaries had the consolidated research and development expenses of NT\$10,483 thousand in 2025, a decrease of 9.21% year-on-year. This was mainly attributable to the Company's continued alignment with customer product development needs, with ongoing investment in the development of new manufacturing processes and techniques, mold

and fixture design, and equipment improvements. The focus has been on enhancing production efficiency, reducing manufacturing costs, and improving product quality stability. At the same time, in response to the trends of sustainable development and energy conservation, the Company continues to optimize processes and upgrade equipment to enhance overall manufacturing efficiency and environmental performance.

2. Summary of the 2025 business plan:

- (1) Continue to develop new manufacturing processes and techniques and introduce new machinery and equipment to optimize production processes for specialized products and increase the in-house manufacturing ratio.
- (2) Accelerate the adoption of smart manufacturing systems by integrating automation equipment with data management technologies to reduce reliance on labor and enhance production efficiency and operational flexibility.
- (3) Actively secure orders for assemblies and high value-added products, and develop automated assembly equipment for mass-produced products to stabilize order intake capacity and effectively reduce production costs.

3. Future development strategies of the Company

- (1) Continue to expand overseas business presence and strengthen market positioning in Japan, South Korea, and Southeast Asia to diversify market concentration risks.
- (2) Expand and upgrade production line equipment, promote process automation and smart manufacturing, and enhance in-house production ratios and overall capacity utilization efficiency.
- (3) Strengthen product R&D capabilities, increase product diversification, and actively invest in the development and deployment of patented products to enhance the Company's long-term competitive advantages.

4. Impacts of the external competitive environment, regulatory environment and overall business environment

(1) Geopolitical and International Situations

In the face of uncertainty brought about by international politics and regional conflicts, the Company continues to diversify its procurement sources, assess cost-competitive supply regions, reduce supply chain risks, and strengthen cooperation with key customers.

(2) Industry Development Trends and Changes

In response to the evolving trends in the electric vehicle and related industries, the Company continues to diversify its product application areas, actively expanding into markets and customer bases beyond automotive components to mitigate industry concentration risks.

(3) Human Resources and Labor Shortage Issues

The Company continues to promote smart manufacturing and automation on the production lines to reduce labor requirements while enhancing its employer brand image. It strengthens talent recruitment and retention mechanisms, and through employee benefits and incentive systems, boosts organizational cohesion.

(4) Interest Rates, Exchange Rates, and Tariff Policies

In light of interest rate adjustments, exchange rate fluctuations, and changes in national tariff policies, the Company will continuously monitor relevant information and adjust operational

strategies, pricing policies, and capital management in a timely manner to minimize the impact of external factors on operations.

(5) Environmental Regulations and Carbon Emission Policies

In response to environmental regulations in Europe and the United States and the Carbon Border Adjustment Mechanism (CBAM) and other policy trends, the Company continues to invest in improving environmental protection equipment and refining manufacturing technologies to reduce carbon emissions. Additionally, the Company negotiates with customers on product pricing and cost-sharing mechanisms to mitigate the impact of these policies.

With the collective efforts of all employees, the Company will continue to insist on its business philosophy of ethics, sustainability, innovation, and diversified development and strive to provide prompt and high-quality services to create maximum value for shareholders.

Wish all the shareholders

Wishing all shareholders good health and success.

**SPEC Products Corp.**

**Chairperson: Chang, Hung-Chen**

## Two. Corporate Governance Report

### 1. Background information of directors, supervisors, president, vice president, assistant manager, and heads of various segments and branches:

#### (1) Information on Directors and Supervisors

##### A. Names, gender, age, nationality or place of registration, professional (education) background, shareholding, and nature of shares held by Directors and Supervisors

March 27, 2026; Unit: Shares

Title	Nationality or registration area	Name	Gender/ Age	Date elected (appointed)	Tenure	Date first elected	Shareholding at the time of election		Current shareholding		Current shareholding by spouse or minor children		Shares held under the name of others		Major career (academic) background	Concurrent positions in the Company or other companies	Other heads, directors or supervisors who are spouses or relatives of second degree			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman:	Republic of China	Chang, Hung-Chen	Male 61~70	2023.11.28	3 years	2001.9.24	3,040,546	8.35%	3,189,546	6.88%	400,400	0.86%	3,824,326	8.25%	Department of Banking and Insurance, Aletheia University Sales Manager, San Shing Fastech Corp. Chairman, Chun Rui Co., Ltd. President, You Hsin International Corp. (now QST International Corp.)	Responsible Person, Hung Ning Investment Co., Ltd., Hao Xin Investment Co., Ltd., and Xi Cheng Investment Co., Ltd.	—	—	—	—
Director	Republic of China	Liu, Li-Chi	Male 51~60	2023.11.28	3 years	2019.8.30	330,580	0.91%	330,580	0.71%	28,574	0.06%	1,588,206	3.42%	Department of International Trade, Chinese Culture University Assistant Section Manager of the Sales Department, San Shing Fastech Corp. Section Manager of the Sales Department, Wingtone Industrial Co., Ltd. President, Accurtek Products Corp.	Responsible Person, Yi Wei Investment Co., Ltd. and Yi Bin Investment Co., Ltd.	—	—	—	—
Director	Republic of China	Chang, Jui-Lin	Female 51~60	2023.11.28	3 years	2008.8.20	962,226	2.64%	916,226	1.98%	—	—	—	—	Department of International Trade, Ming Chuan University Sales Specialist, San Shing Fastech Corp. Section Manager of the Sales Department, You Hsin International Corp. (now QST International Corp.)	None	—	—	—	—
Director	Republic of China	Chang, Chi-Hsiang	Male 41~50	2023.11.28	3 years	2019.8.30	1,109,900	3.05%	1,130,900	2.44%	52,000	0.11%	—	—	Department of Mechanical Engineering, National Kaohsiung University of Science and Technology Mold Designer, San Shing Fastech Corp. Section Manager of the Technology Division, Cava Co., Ltd. Plant Manager, Yong Cheng Technology Co., Ltd.	None	—	—	—	—
Director	Republic of China	Huang, Jin-Yuan	Male 61~70	2023.11.28	3 years	2023.11.28	—	—	—	—	—	—	—	—	Department of International Trade, Business College of Continuing Education Affiliated to National Cheng Kung University Assistant Manager (Retired), Mega International Commercial Bank	None	—	—	—	—
Independent Director	Republic of China	Hong, Wou-Paul	Male 61~70	2023.11.28	3 years	2023.11.28	—	—	—	—	—	—	—	—	Department of Business Administration, Chung Yuan Christian University Chairman (Retired), You Hsin International Corp. (now QST International Corp.) Supervisor, Sin Fu Shan International Corp. Supervisor, Mu Hsin Investment Co., Ltd.	Supervisor, Sin Fu Shan International Corp. Supervisor, Mu Hsin Investment Co., Ltd.	Chairman	Hung, Tsan-Wen	Child	—
																	Director	Hung, Tsan-Fen	Child	—
																	Director	Hung, Tsan-Hsuan	Child	—
																	Chairman	Tsai, Chun-Cheng	Son-in-law	—
																	Supervisor	Tsai, Chun-Cheng	Son-in-law	—

																		Director	Tsai, Chun-Cheng	Son-in-law	—	
																		Chairman	Cheng, Chin-Hsiu	Sister-in-law	—	
																		Chairman	Lin, Meng-Chih	Brother-in-law	—	
Independent Director	Republic of China	Chou, Sheng-Huang	Male 61~70	2023.11.28	3 years	2023.11.28	—	—	—	—	—	—	—	—	—	—	Department of Statistics, Feng Chia University Head of Corporate Banking, CTBC Bank Head of Credit Review (Retired), Taipei Fubon Commercial Bank Co., Ltd.	None	—	—	—	—
Independent Director	Republic of China	Chang, Ruey-Hsing	Male 51~60	2023.11.28	3 years	2023.11.28	—	—	—	—	—	—	—	—	—	—	Doctor of Juridical Science (J.S.D.), Washington University in St. Louis Master of Laws (LL.M.), Temple University Bachelor of Laws (LL.B.), National Taiwan University Professor, Graduate Institute of Financial and Economic Law, Southern Taiwan University of Science and Technology	None	—	—	—	—
Independent Director	Republic of China	Fang-Tsai Chiu	Male 51~60	2023.11.28	3 years	2023.11.28	—	—	—	—	—	—	—	—	—	—	Master of Science in Finance, National Cheng Kung University Staff, Deloitte Taiwan Senior Specialist, Underwriting Department, Grand Cathay Securities Corporation Lead Auditor, AMIT Wireless Inc. Managing Partner, Ching Hsin CPAs	Independent Director, Ying Han Technology Co., Ltd. Independent Director, GeneFerm Biotechnology Co., Ltd. Independent Director, Macauto Industrial Co., Ltd.	—	—	—	—

B. Disclosure of professional qualifications and independence information of Directors and Independent Directors:

Condition Name	Professional Qualifications and Experience	Independence Status	Number of listed companies where the person concurrently serves as independent director
Chang, Hung-Chen	<p>Possesses practical experience in the management and sales of the fastener manufacturing and processing industry, as well as the steel industry. Previously served as Chairman and President of the Company; President of You Hsin International Corp. (now QST International Corp.), and Sales Manager at San Shing Fastech Corp.</p> <p>None of the circumstances listed under Article 30 of the Company Act apply.</p>	Not applicable	None
Liu, Li-Chi	<p>Possesses practical experience in the management and sales of the fastener manufacturing and processing industry, as well as the steel industry. Previously served as Vice President of the Sales Department of the Company; Assistant Section Manager of the Sales Department at San Shing Fastech Corp., Section Manager of the Sales Department at Wingtone Industrial Co., Ltd., and President of Accurtek Products Corp. None of the circumstances listed under Article 30 of the Company Act apply.</p>	Not applicable	None
Chang, Jui-Lin	<p>Possesses practical experience in the management and sales of the fastener industry. Previously served as Vice President of the Materials Department of the Company, Sales Specialist at San Shing Fastech Corp., and Section Manager of the Sales Department at You Hsin International Corp. (now QST International Corp.).</p> <p>None of the circumstances listed under Article 30 of the Company Act apply.</p>	Not applicable	None
Chang, Chi-Hsiang	<p>Possesses practical experience in factory management, sales, and mold design for fastener manufacturing and processing, as well as the steel industry. Previously served as Vice President of the Production Department of the Company, Mold Designer at San Shing Fastech Corp., Section Manager of the Technology Division at Cava Co., Ltd., and Plant Manager of Yong Cheng Technology Co., Ltd.</p> <p>None of the circumstances listed under Article 30 of the Company Act apply.</p>	Not applicable	None
Huang, Jin-Yuan	<p>Possesses experience in financial services, management, and crisis resolution within the banking sector. Previously served as Assistant Manager at Mega International Commercial Bank (retired).</p> <p>None of the circumstances listed under Article 30 of the Company Act apply.</p>	Not applicable	None

Condition Name	Professional Qualifications and Experience	Independence Status	Number of listed companies where the person concurrently serves as independent director
Hong, Wou-Paul	<p>Possesses practical experience in the management and sales of fastener manufacturing and processing, as well as the steel industry, aligned with the Company's required industry expertise.</p> <p>Previously served as Chairman of You Hsin International Corp. (now QST International Corp.) (retired), Supervisor of Sin Fu Shan International Corp., and Supervisor of Mu Hsin Investment Co., Ltd.</p> <p>None of the circumstances listed under Article 30 of the Company Act apply.</p>	<p>Serves as an independent director and meets the independence criteria, including but not limited to: neither the individual, their spouse, nor relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or any of its affiliates; currently holds 0 shares in the Company; does not serve as a director, supervisor, or employee of any company having a specific relationship with the Company; and has not received any remuneration in the past two years for providing business, legal, financial, or accounting services to the Company or its affiliates.</p>	None
Chou, Sheng-Huang	<p>Possesses work experience in commercial, legal, financial, and managerial functions within the banking industry.</p> <p>Previously served as Assistant Vice President of the Tainan Regional Corporate Banking Center, CTBC Bank Co., Ltd., and Assistant Vice President of the Credit Department - Institutional Banking of Taipei Fubon Commercial Bank Co., Ltd. (retired).</p> <p>None of the circumstances listed under Article 30 of the Company Act apply.</p>	<p>Serves as an independent director and meets the independence criteria, including but not limited to: neither the individual, their spouse, nor relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or any of its affiliates; currently holds 0 shares in the Company; does not serve as a director, supervisor, or employee of any company having a specific relationship with the Company; and has not received any remuneration in the past two years for providing business, legal, financial, or accounting services to the Company or its affiliates.</p>	None
Chang, Ruey-Hsing	<p>Possesses practical experience in legal, commercial, and academic management. Distinguished Professor at Southern Taiwan University of Science and Technology.</p> <p>Previously served as Dean of the Graduate Institute of Financial and Economic Law and the College of Business at Southern Taiwan University of Science and Technology, and Director of the Science &amp; Technology Law Institute at the Institute for Information Industry.</p> <p>None of the circumstances listed under Article 30 of the Company Act apply.</p>	<p>Serves as an independent director and meets the independence criteria, including but not limited to: neither the individual, their spouse, nor relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or any of its affiliates; currently holds 0 shares in the Company; does not serve as a director, supervisor, or employee of any company having a specific relationship with the Company; and has not received any remuneration in the past two years for providing business, legal, financial, or accounting services to the Company or its affiliates.</p>	None
Fang-Tsai Chiu	<p>Possesses professional experience in financial accounting and taxation and is a certified public accountant who has passed the national CPA examination. Currently serves as Managing Partner of Ching Hsin CPAs. Brings extensive practical experience and thorough knowledge of relevant regulations, which supports the Board in improving the quality of corporate governance.</p> <p>Previously served as Associate at Deloitte Taiwan, Senior Specialist in the Underwriting Department of Grand Cathay Securities Corporation; Lead Auditor at AMIT Wireless Inc., and Independent Director of Ying Han Technology Co., Ltd., GeneFerm Biotechnology Co., Ltd., and Macauto Industrial Co., Ltd.</p> <p>None of the circumstances listed under Article 30 of the Company Act apply.</p>	<p>Serves as an independent director and meets the independence criteria, including but not limited to: neither the individual, their spouse, nor relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or any of its affiliates; currently holds 0 shares in the Company; does not serve as a director, supervisor, or employee of any company having a specific relationship with the Company; and has not received any remuneration in the past two years for providing business, legal, financial, or accounting services to the Company or its affiliates.</p>	3

C. Diversity of the Board of Directors:

(A) Diversity of the Board of Directors:

The structure of the Company's Board of Directors, in accordance with Article 20 of the Corporate Governance Best Practice Principles, dictates that the Board shall guide the Company's strategy, supervise the management, and be accountable to the Company

and its shareholders. The various operations and arrangements of its corporate governance system shall ensure that the Board exercises its powers in accordance with applicable laws and regulations, the Company's Articles of Incorporation, or resolutions of the shareholders' meetings. The structure of the Board should take into consideration the scale of the Company's business development, the shareholding of major shareholders, and practical operational needs in determining an appropriate number of no fewer than five directors. The composition of the Board of Directors shall take diversity into consideration. Except where directors concurrently serve as the Company's managerial officers (which should not exceed one-third of total Board seats), the Company shall formulate appropriate diversity policies based on its operational needs, business model, and development strategy. These policies should include, but not be limited to, the following two major aspects:

- a. Basic requirements and values: Gender, age, nationality, and culture.
- b. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Board members shall generally possess the knowledge, skills, and personal qualities necessary to fulfill their duties. To achieve the ideal goals of corporate governance, the Board as a whole should possess the following core competencies:

- a. The ability to make judgments about operations.
- b. Accounting and financial analysis abilities.
- c. Business management ability.
- d. Crisis management ability.
- e. Industry knowledge.
- f. International market perspectives.
- g. Leadership ability.
- h. Decision-making ability.

(B) Specific management goals and achievement status:

Governance Objectives	Achievement
The number of independent directors reaches one-third or more of the total number of directors	Achieved
None of the independent directors holds office more than three terms	Achieved
No more than two directors are spouses or a relative within the second degree of kinship of another to each other	Achieved
At least one female director is included in the board of directors	Achieved

(C) Implementation of Board Diversity Policy:

The Company's current Board of Directors consists of 9 members (including 4 Independent Directors). The Board collectively brings extensive experience and expertise in fields such as industrial operations, business strategy, legal compliance, and corporate management. One of the Directors is female. The implementation status of the Board diversity policy is as follows:

Diversification at the Core  Name of Director	Basic requirements and values								Core Competencies Expected of the Board as a Whole								
	Nationality	Gender	Concurrently Serving as an Employee	Age				Term of Office of Independent Director		Operational Judgment	Financial and Accounting Analytical Capability	Management Capability	Crisis Management Capability	Industry knowledge	International market perspectives	Leadership and Decision-Making Ability	LAWs
				Aged 41   50	Aged 51   60			Aged 61   70	Over 71 years old								
Chang, Hung-Chen	Republic of China	Male	✓			✓				✓	✓	✓	✓	✓	✓	✓	✓
Liu, Li-Chi	Republic of China	Male	✓		✓					✓		✓	✓	✓	✓	✓	✓
Chang, Jui-Lin	Republic of China	Female	✓		✓					✓		✓	✓	✓	✓	✓	✓
Chang, Chi-Hsiang	Republic of China	Male	✓	✓						✓		✓	✓	✓	✓	✓	✓
Huang, Jin-Yuan	Republic of China	Male				✓				✓	✓	✓	✓		✓	✓	✓
Hong, Wou-Paul	Republic of China	Male					✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Chou, Sheng-Huang	Republic of China	Male					✓	✓		✓	✓	✓	✓		✓	✓	✓
Chang, Ruey-Hsing	Republic of China	Male			✓			✓		✓		✓	✓		✓	✓	✓
Fang-Tsai Chiu	Republic of China	Male			✓			✓		✓	✓	✓	✓		✓	✓	✓

D. Board Independence:

The Company's Board of Directors is composed of 9 members, including 4 independent directors, representing 44% of the Board. More than half of the board seats are held by individuals who do not have spousal or familial relationships within the second degree of kinship with each other. Therefore, the Company's directors and independent directors do not violate the provisions of Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act. Therefore, the Company's Board of Directors has the independence to exercise its powers.

E. If Directors or Supervisors are Representatives of Corporate Shareholders, the Name of the Corporate Shareholder and its Shareholding Ratio, as well as the Names and Shareholding Ratios of the Top Ten Shareholders: Not Applicable.

(2) Information on President, Vice Presidents, Assistant Managers, and Heads of Departments and Branches

March 27, 2026; Unit: Shares

Title	Nationality	Name	Gender	Date of appointment	Shareholding		Shareholdings by spouse or minor children		Shares held under the name of others		Major career (academic) background	Current employment with other companies	Managers who are spouses or relatives of second degree			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	Republic of China	Chang, Hung-Chen	Male	2022.03.18	3,189,546	6.88%	400,400	0.86%	3,824,326 (註 2)	8.25%	Department of Banking and Insurance, Aletheia University Sales Specialist, San Shing Fastech Corp. Chairman, Chun Rui Co., Ltd. President, You Hsin International Corp. (now QST International Corp.)	Responsible Person, Hung Ning Investment Co., Ltd., Hao Xin Investment Co., Ltd., and Xi Cheng Investment Co., Ltd.	—	—	—	(Note 1)
Vice President of Sales Department	Republic of China	Liu, Li-Chi	Male	2021.05.26	330,580	0.71%	28,574	0.06%	1,588,206 (註 3)	3.42%	Department of International Trade, Chinese Culture University Assistant Section Manager of the Sales Department, San Shing Fastech Corp. Section Manager of the Sales Department, Wingtone Industrial Co., Ltd. President, Accurtek Products Corp.	Responsible Person, Yi Wei Investment Co., Ltd. and Yi Bin Investment Co., Ltd.	—	—	—	—
Vice President of the Materials Department	Republic of China	Chang, Jui-Lin	Female	2021.05.26	916,226	1.98%	—	—	—	—	Department of International Trade, Ming Chuan University Sales Specialist, San Shing Fastech Corp. Section Manager of the Sales Department, You Hsin International Corp. (now QST International Corp.)	None	—	—	—	—
Vice President of the Production Department	Republic of China	Chang, Chi-Hsiang	Male	2021.05.26	1,130,900	2.44%	52,000	0.11%	—	—	Department of Mechanical Engineering, National Kaohsiung University of Science and Technology Mold Designer, San Shing Fastech Corp. Section Manager of the Technology Division, Cava Co., Ltd. Plant Manager, Yong Cheng Technology Co., Ltd.	None	—	—	—	—
Vice President of Administrative Department	Republic of China	Chang, Tung-Ching	Male	2022.09.21	207,030	0.45%	—	—	—	—	Department of Statistics, Tamkang University Manager of the Accounting Department, San Shing Fastech Corp. Audit Manager, San Shing Fastech Corp. Manager of the MIS Department, San Shing Fastech Corp.	None	—	—	—	—

Title	Nationality	Name	Gender	Date of appointment	Shareholding		Shareholdings by spouse or minor children		Shares held under the name of others		Major career (academic) background	Current employment with other companies	Managers who are spouses or relatives of second degree			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President of the Subsidiary	Republic of China	Lin, Chi-Sheng	Male	2011.09.01	673,678	1.45%	—	—	—	—	Department of Civil Engineering, Chung Yuan Christian University Manager, Mega Facade Corporation Sales Manager, You Hsin International Corp. (now QST International Corp.)	None	—	—	—	—
Financial Officer	Republic of China	Liu, Hui-Hua	Female	2021.05.26	88,490	0.19%	—	—	—	—	Department of Hospital and Health Care Administration, Chia Nan University of Pharmacy and Science Accounting Specialist, Tung Kuang Enterprise Co., Ltd.	None	—	—	—	—
Accounting Officer	Republic of China	Fang, Chien-Hung	Male	2021.05.26	13,738	0.03%	—	—	—	—	Department of Accounting, Feng Chia University Audit Manager, Ernst & Young, Taiwan	None	—	—	—	—
Audit Officer	Republic of China	Huang, Tzu-Yun	Female	2021.05.26	103,000	0.22%	—	—	—	—	Department of Finance, Southern Taiwan University of Science and Technology Chief Accountant, You Hsin International Corp. (now QST International Corp.)	None	—	—	—	—

Note 1: The Company's Chairman concurrently serves as the President for the purpose of improving operating efficiency and decision-making execution. To strengthen the independence of the Board, the Company's Chairman maintains close communication with all directors regarding the Company's operational status and strategic direction, thereby upholding sound corporate governance. In addition, a majority of the directors do not concurrently serve as managerial officers, and the Company has appointed independent directors to strengthen the Board's functions and oversight capabilities.

Note 2: This refers to the total number of shares of the Company held by Hung Ning Investment Co., Ltd., Hao Xin Investment Co., Ltd., and Xi Cheng Investment Co., Ltd.

Note 3: This refers to the total number of shares of the Company held by Yi Wei Investment Co., Ltd. and Yi Bin Investment Co., Ltd.

2. Remuneration Paid to Directors, Supervisors, President, and Vice Presidents in the Most Recent Year

(1) Remuneration paid to Directors and Supervisors in the most recent year

A. Remuneration of General Directors and Independent Directors (Disclosed in Aggregate with Salary Ranges and Names)

December 31, 2025; Unit: NT\$ thousands; thousand shares; %

Title	Name	Remuneration to directors								The ratio accounted for by the total amount of A, B, C and D to the net profit after tax		Related remuneration received by part-time employees								The ratio accounted for by the total amount of A, B, C, D, E, F and G to the net profit after tax		Remuneration received from invested companies other than the subsidiaries and the parent company	
		Remuneration (A)		Severance payment and pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Salaries, bonuses, special expenses, etc. (E)		Severance payment and pension (F)		Remuneration to employees (G)							
		the Company	All companies in the financial report	the Company	All companies in the financial report	the Company	All companies in the financial report	the Company	All companies in the financial report	the Company	All companies in the financial report	the Company	All companies in the financial report	the Company	All companies in the financial report	Cash amount	Stock amount	Cash amount	Stock amount	the Company	All companies in the financial report		
Chairman:	Chang, Hung-Chen																						
Director	Chang, Jui-Lin																						
Director	Liu, Li-Chi	–	–	–	–	1,886	1,886	144	144	2,030	2,030 1.20%	25,783	25,783	324	324	1,241	–	1,241	–	29,378	29,378 17.39%	–	
Director	Chang, Chi-Hsiang																						
Director	Huang, Jin-Yuan																						
Independent Director	Chou, Sheng-Huang																						
Independent Director	Fang-Tsai Chiu	1,500	1,500	–	–			114	114	1,614	1,614 0.96%			–	–	–	–	–	–	1,614	1,614 0.96%	–	
Independent Director	Chang, Ruey-Hsing																						
Independent Director	Hong, Wou-Paul																						

A. Please describe the independent directors' remuneration policy, system, standards, and structure, and explain the correlation between the remuneration amounts paid and the responsibilities, risks, and time commitments involved:

The Company pays each independent director a fixed monthly remuneration of NT\$30,000. No other variable remuneration is provided.

B. In addition to the disclosure in the table above, the remuneration received by the Company's directors from all companies within the financial statements (such as serving as non-employee consultants for the parent company/all companies within the financial reports/investee companies) in the most recent fiscal year: None.

## Remuneration Range Table

Range of Total Remuneration Paid to Each Director of the Company	Name of Director			
	Total Remuneration for the First Four Items (A+B+C+D)		Total Remuneration for the First Seven Items (A+B+C+D+E+F+G)	
	the Company	All companies in the financial report	the Company	All companies in the financial report
Below NT\$1,000,000	Chang, Hung-Chen; Chang, Jui-Lin; Liu, Li-Chi; Chang, Chi-Hsiang; Chou, Sheng-Huang; Chiu, Fang-Tsai; Chang, Ruey-Hsing; Hong, Wou-Paul; Huang, Jin-Yuan	Chang, Hung-Chen; Chang, Jui-Lin; Liu, Li-Chi; Chang, Chi-Hsiang; Chou, Sheng-Huang; Chiu, Fang-Tsai; Chang, Ruey-Hsing; Hong, Wou-Paul; Huang, Jin-Yuan	Chou, Sheng-Huang; Chiu, Fang-Tsai; Chang, Ruey-Hsing; Hong, Wou-Paul; Huang, Jin-Yuan	Chou, Sheng-Huang; Chiu, Fang-Tsai; Chang, Ruey-Hsing; Hong, Wou-Paul; Huang, Jin-Yuan
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)	—	—	Chang, Jui-Lin,	Chang, Jui-Lin,
NT\$5,000,000 (inclusive) – NT\$10,000,000 (exclusive)	—	—	Liu, Li-Chi; Chang, Chi-Hsiang	Liu, Li-Chi; Chang, Chi-Hsiang
NT\$10,000,000 (inclusive) – NT\$15,000,000 (exclusive)	—	—	Chang, Hung-Chen	Chang, Hung-Chen
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)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	A total of 9 people	A total of 9 people	A total of 9 people	A total of 9 people

B. Remuneration of Supervisors: The Company has established an Audit Committee to replace the role of supervisors.

- (2) The Company does not fall under any of the following circumstances; therefore, the remuneration of individual directors and supervisors is not disclosed:
- A. A company that has posted after-tax deficits in the parent company only financial reports or individual financial reports within the three most recent fiscal years shall disclose the remuneration paid to individual directors and supervisors. This requirement, however, shall not apply if the company has posted net profit after tax in the parent company only financial report or individual financial report for the most recent fiscal year and such net profit after tax is sufficient to offset the accumulated deficits.
  - B. A company that has had an insufficient director shareholding percentage for three consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors; one that has had an insufficient supervisor shareholding percentage for three consecutive months or more during the most recent fiscal year shall disclose the remuneration of individual supervisors.
  - C. A company that has had an average ratio of share pledging by directors or supervisors in excess of fifty percent in any three months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor having a ratio of pledged shares in excess of fifty percent for each such month.
  - D. If the total amount of remuneration received by all of the directors and supervisors in their capacities as directors or supervisors of all of the companies listed in the financial reports exceeds two percent of the net profit after tax, and the remuneration received by any individual director or supervisor exceeds NT\$15 million, the company shall disclose the remuneration paid to that individual director or supervisor.
  - E. A company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) is ranked within the lowest two tiers in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEX, or the Corporate Governance Evaluation Committee has resolved that the company shall be excluded from evaluation.
  - F. The average annual salary of the full-time non-management employees in a TWSE or TPEX listed company is less than NT\$500,000 in the most recent fiscal year.
  - G. A TWSE or TPEX listed company had an increase of ten percent or more in net profit after tax for the most recent fiscal year, but the average annual salary of its full-time non-management employees did not increase relative to the preceding fiscal year.
  - H. A TWSE or TPEX listed company had a decline in after-tax net income reaching ten percent and exceeding NT\$5 million for the most recent fiscal year, along with an increase in its average remuneration per director (not including the remuneration of those who are also employees) reaching ten percent or more and exceeding NT\$100,000.
- (3) If the circumstance in item 1 or item 5 above applies to a company listed on the TWSE or the TPEX, it shall disclose the individual remuneration paid to each of its five highest remunerated management personnel: Not applicable.
- (4) Remuneration paid to the President and Vice Presidents in the most recent year
- A. Remuneration of the President and Vice Presidents

December 31, 2025; Unit: NT\$ thousands; thousand shares; %

Title	Name	Salary (A)		Severance payment and pension (B)		Bonuses, special expenses, etc. (C)		Remuneration to employees (D) (Note)				The ratio accounted for by the total amount of A, B, C and D to the net profit after tax (%)		Whether remuneration was received from investee companies other than subsidiaries
		the Company	All companies in the financial report	the Company	All companies in the financial report	the Company	All companies in the financial report	the Company		All companies in the financial report		the Company	All companies in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Chang, Hung-Chen													
Vice President	Liu, Li-Chi Chang, Jui-Lin Chang, Chi-Hsiang Chang, Tung-Ching	14,946	14,946	432	432	14,219	14,219	1,417	—	1,417	—	31,015 18.36%	31,015 18.36%	

### Remuneration Range Table

Range of Total Remuneration Paid to Each President and Vice President of the Company	Names of the President and Vice Presidents	
	the Company	the Company
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)	—	—
NT\$3,500,000 (inclusive) – NT\$5,000,000 (exclusive)	Chang, Jui-Lin; Chang, Tung-Ching	Chang, Jui-Lin; Chang, Tung-Ching
NT\$5,000,000 (inclusive) – NT\$10,000,000 (exclusive)	Chang, Hung-Chen; Liu, Li-Chi; Chang, Chi-Hsiang	Chang, Hung-Chen; Liu, Li-Chi; Chang, Chi-Hsiang
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)	—	—
Over NT\$100,000,000	—	—
Total	A total of 5 people	A total of 5 people

B. Names of Managerial Officers Receiving Employee Remuneration and Details of Distribution:

December 31, 2025 ; Unit: NT\$ thousands

Title	Name	Stock amount	Cash amount	Total	Total as a percentage of net income after tax (%)
Chairman and President	Chang, Hung-Chen	–	1,417	1,417	0.84%
Vice Chairperson concurrent Vice President	Liu, Li-Chi				
Vice President of the Materials Department	Chang, Jui-Lin				
Vice President of Manufacturing Department	Chang, Chi-Hsiang				
Vice President of Administrative Department	Chang, Tung-Ching				
Audit Officer	Huang, Tzu-Yun	–	211	211	0.03%
Financial Officer	Liu, Hui-Hua				
Accounting Officer	Fang, Chien-Hung				

C. Comparison and explanation of the ratio of total remuneration paid to the Company's Directors, Supervisors, President, and Vice Presidents by the Company and its consolidated entities in the past two years to the net profit after tax of the parent company only financial statements or individual financial statements, including the remuneration policy, standards, structure, determination process, and its correlation with operating performance and future risks.

(A) Analysis of the ratio of total remuneration to net income after tax:

Unit: %

Title	2024 Total remuneration as a percentage of net income after tax (%)		2025 Total remuneration as a percentage of net income after tax (%)	
	the Company	All companies in the financial report	the Company	the Company
Director	13.05%	13.05%	18.35%	18.35%
Supervisor	–	–	–	–
President and Vice Presidents	13.00%	13.00%	19.45%	19.45%

(B) The remuneration policy, standards, structure, determination process, and its correlation with operating performance and future risks.

The remuneration for all Directors and Supervisors of the Company is authorized by the Board of Directors, based on the extent of their involvement in the Company's operations and the value of their contributions, with reference to industry standards. Such remuneration is paid regardless of the Company's operating performance. In the event of earnings, remuneration shall also be

allocated in accordance with Article 25 of the Company's Articles of Incorporation. Following the establishment of the Remuneration Committee, the aforementioned remuneration shall first be submitted to the Committee for review, based on the level of participation and value of contribution to the Company's operations, and with reference to customary domestic and international industry standards, before being submitted to the Board of Directors for resolution.

### 3. Corporate Governance Practices

#### (1) Board of Directors Practices

In 2025, the Board of Directors held 5 (A) meetings. The attendance of directors and supervisors is as follows:

Title	Name	Actual attendance (B)	No. of attendances by proxy	Attendance rate (%) "B/A"	Remarks
Chairman:	Chang, Hung-Chen	5	0	100%	
Vice Chairman	Liu, Li-Chi	4	1	80%	
Director	Chang, Jui-Lin	5	0	100%	
Director	Chang, Chi-Hsiang	5	0	100%	
Director	Huang, Jin-Yuan	5	0	100%	
Independent Director	Hong, Wou-Paul	5	0	100%	
Independent Director	Chou, Sheng-Huang	5	0	100%	
Independent Director	Chang, Ruey-Hsing	4	0	80%	
Independent Director	Fang-Tsai Chiu	5	0	100%	

Other matters to be recorded:

1. If the operation of the Board of Directors involves any of the following circumstances, the date and session of the board meeting, the agenda item, the opinions of all independent directors, and the Company's handling of the independent directors' opinions shall be stated:
  - (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee and is therefore not subject to the provisions of Article 14-3.
  - (2) Other matters resolved by the Board of Directors in which independent directors expressed dissenting or qualified opinions, either recorded or in writing: Independent directors did not express any dissent or reservations at the Board of Directors meetings in 2025.
2. In case of recusal of directors due to conflict of interest, the directors' names, the content of the proposals, the reasons for the recusal and the circumstances of their participation in voting must be noted:

Board of Directors	Agenda	Names of Directors Who Recused Themselves Due to Conflicts of Interest	Reason for Recusal	Participation in voting
8th Meeting of the 9th Term 2025.03.12	Proposal for the remuneration of directors and employees of the Company for 2024.	Director Chang, Hung-Chen Director Liu, Li-Chi Director Chang, Jui-Lin Director Chang, Chi-Hsiang	Four directors concurrently serve as the Company's managerial officers and recused themselves from the 2024 directors' remuneration and employee compensation for managerial officers.	With the exception of the legally recused directors who did not participate in the discussion or voting, the remaining attending directors unanimously approved the proposal.
10th Meeting of the 9th Term 2025.05.12	Proposal for managing the employee stock trust and the participation of managerial officers in the employee stock trust, and establishing the "Employee Stock Trust Committee Management Guidelines."	Director Chang, Hung-Chen Director Liu, Li-Chi Director Chang, Jui-Lin Director Chang, Chi-Hsiang	Four directors concurrently serve as the Company's managerial officers and recused themselves from the participation of managerial officers in the employee stock trust.	With the exception of the legally recused directors who did not participate in the discussion or voting, the remaining attending directors unanimously approved the proposal.
	Proposal for the Dragon Boat Festival bonus plan for managerial officers in 2025.	Director Chang, Hung-Chen Director Liu, Li-Chi Director Chang, Jui-Lin Director Chang, Chi-Hsiang	Four directors concurrently serve as the Company's managers and recused themselves from the 2025 Dragon Boat Festival bonuses for managerial officers.	With the exception of the legally recused directors who did not participate in the discussion or voting, the remaining attending directors unanimously approved the proposal.
11th Meeting of the 9th Term 2025.08.11	Proposal for the Mid-Autumn Festival bonus plan for the Company's managerial officers in 2025.	Director Chang, Hung-Chen Director Liu, Li-Chi Director Chang, Jui-Lin Director Chang, Chi-Hsiang	Four directors concurrently serve as the Company's managers and recused themselves from the 2025 Mid-Autumn Festival bonuses for managerial officers.	With the exception of the legally recused directors who did not participate in the discussion or voting, the remaining attending directors unanimously approved the proposal.
12th Meeting of the 9th Term 2025.11.14	Proposal for the year-end bonus plan for managerial officers in 2025.	Director Chang, Hung-Chen Director Liu, Li-Chi Director Chang, Jui-Lin Director Chang, Chi-Hsiang	Four directors concurrently serve as the Company's managers and recused themselves from the 2025 year-end bonuses for managerial officers.	With the exception of the legally recused directors who did not participate in the discussion or voting, the remaining attending directors unanimously approved the proposal.

3. Implementation of Board of Directors Self-Evaluation (or Peer Evaluation):

- (1) To implement corporate governance and enhance the functions of the Company's Board of Directors, and to establish performance objectives to strengthen the efficiency of the Board's operations, the "Rules for Performance Evaluation of Board of Directors," have been established in accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Conducted once per year	2025.01.01 to 2025.12.31	Entire Board	Board Internal Self-Evaluation	I. Degree of participation in the Company's operations II. Improvement of the quality of the board of directors' decision making III. Composition and structure of the board of directors IV. Selection and continuing education of directors V. Internal control
		Individual Board Members	Director Self-Evaluation	I. Understanding of Company Goals and Missions II. Awareness of Directors' Responsibilities III. Degree of participation in the Company's operations IV. Internal Relationship Management and Communication V. Professionalism and Continuous Professional Development of Directors VI. Internal control
		Functional Committees	Functional Committee Self-Evaluation	I. Degree of participation in the Company's operations II. Awareness of Functional Committee Responsibilities III. Enhancing the Quality of Functional Committee Decisions IV. Composition and Member Election of Functional Committees V. Internal control
<b>Results of the 2025 Board of Directors Internal Performance Evaluation:</b> (1) Total Average Score for the Board of Directors Performance Evaluation: 40 out of 40. (2) Total Average Score for Individual Director Performance Evaluation: 22 out of 22. (3) Total Average Score for Audit Committee Performance Evaluation: 21 out of 21. (4) Total Average Score for Remuneration Committee Performance Evaluation: 18 out of 18. (5) Total Average Score for Sustainable Development Committee Performance Evaluation: 17 out of 17. The consolidated average scores of the overall Board of Directors, individual directors, and functional committees indicate that the Company's overall operations remain sound.				

4. Objectives and Evaluation of Implementation for Enhancing Board Functions in the Current and Most Recent Fiscal Years (e.g., Establishment of an Audit Committee, Increased Information Transparency):
- (1) To strengthen the functions of the Board of Directors and enhance corporate governance, the Company elected four independent directors at the Extraordinary Shareholders' Meeting held on November 28, 2023, and established an Audit Committee in accordance with the Company's Articles of Incorporation, with all independent directors serving as the first term members.
  - (2) In accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange, the Remuneration Committee was established on November 28, 2023, with all members serving as independent directors to strengthen the Company's oversight functions.
  - (3) In order to enhance the information transparency of the Company, the attendance of directors will be announced on the Market Observation Post System immediately after each Board meeting. Any resolutions classified as material information are disclosed in accordance with

applicable regulations.

- (4) To establish sound corporate governance practices and support directors in the execution of their duties while enhancing Board effectiveness, the Company implemented the "Standard Operating Procedures for Handling Directors' Requests" on October 20, 2023.
- (5) The Board of Directors appointed a Corporate Governance Officer on October 20, 2023.
- (6) None of the Company's directors is a spouse or a relative within the second degree of kinship.
- (7) The Company has purchased liability insurance for all directors in accordance with the law.
- (8) On April 9, 2024, the Company's "Rules for Performance Evaluation of Board of Directors," "Corporate Governance Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Codes of Ethical Conduct," and "Sustainable Development Best Practice Principles" were established.

(2) Operations of the Audit Committee:

A. Information on Audit Committee's operation status:

At the Extraordinary Shareholders' Meeting held on November 28, 2023, the Company elected four independent directors and established the first Audit Committee.

(A) The primary purpose of this Committee is to supervise the following matters:

- a. The fair presentation of the Company's financial statements.
- b. The selection/dismissal, independence, and performance of the certified public accountants.
- c. The effective implementation of the Company's internal control system.
- d. The Company's compliance with relevant laws and regulations.
- e. The management of the Company's existing or potential risks.

(B) The Committee's responsibilities include the following:

- a. Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- b. Evaluated effectiveness of the internal control system.
- c. Establishment or amendment of the Operating Procedures for the Acquisition or Disposal of Assets, Engagement in Derivative Trading, Loaning of Funds, Endorsement or Guarantee for Others, among other material financial business acts in accordance with Article 36-1 of the Securities and Exchange Act.
- d. Matters on the directors' interests.
- e. Material asset or derivative transactions.
- f. Material fund lending, endorsement or guarantee.
- g. Offering, issuance or private placement of securities of equity nature.
- h. Appointment, dismissal or remuneration of CPAs.
- i. Appointment and dismissal of financial, accounting or internal audit officers.
- j. Annual and semi-annual financial reports.
- k. Material matters specified by other companies or competent authorities.

(C) In 2025, the Audit Committee convened a total of 5 (A) meetings, and the attendance was as follows:

Title	Name	Actual attendance (B)	No. of attendances by proxy	Attendance rate (%) "B/A"	Remarks
Convener of Independent Directors	Fang-Tsai Chiu	5	0	100%	
Independent Director	Chou, Sheng-Huang	5	0	100%	
Independent Director	Chang, Ruey-Hsing	4	0	80%	
Independent Director	Hong, Wou-Paul	5	0	100%	

Other information to be disclosed:

1. Under any of the following circumstances of the Audit Committee, specify the meeting date, session number, proposal content, independent directors' objections, qualified opinions or major suggestions, resolution results of the Audit Committee, and responses to the opinions of the Audit Committee:

(1) Issues listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee Meeting Session & Date	Agenda	Resolution Result	Audit Committee resolution results and the Company's handling of Audit Committee opinions
7th Meeting of the 1st Term 2025.03.12	<ul style="list-style-type: none"> <li>A. The Company's 2024 Statement of Internal Control.</li> <li>B. Approval of the independence of the independent auditors of Ernst &amp; Young for 2024.</li> <li>C. Proposal for the appointment of independent auditors and their compensation for 2025.</li> <li>D. Proposal for the Company's 2024 Business Report and Financial Statements.</li> <li>E. Proposal for the 2024 earnings distribution.</li> <li>F. Amendment to the "Articles of Incorporation" of the Company in part.</li> <li>G. Proposal to amend certain provisions of the Company's "Rules of Procedure for Board of Directors Meetings."</li> <li>H. Proposal to revise the Company's authorization table.</li> </ul>	Approved unanimously as proposed by all attending committee members.	Submitted to the Board of Directors and approved by all attending directors.
8th Meeting of the 1st Term 2025.04.15	<ul style="list-style-type: none"> <li>A. Proposal for increasing the total amount of 2024 earnings distribution.</li> </ul>	Approved unanimously as proposed by all attending committee members.	Submitted to the Board of Directors and approved by all attending directors.
9th Meeting of the 1st Term 2025.05.12	<ul style="list-style-type: none"> <li>A. Approval of the proposal for the Company's Q1 2025 Consolidated Financial Statements.</li> <li>B. Proposal to amend certain provisions of the internal control system.</li> </ul>	Approved unanimously as proposed by all attending committee members.	Submitted to the Board of Directors and approved by all attending directors.
10th Meeting of the 1st Term 2025.08.11	<ul style="list-style-type: none"> <li>A. Proposal to amend certain provisions of the "Operating Procedures for Treasury Stock Transfer."</li> <li>B. Approval of the proposal for the Company's Q2 2025 Consolidated Financial Statements.</li> <li>C. Proposal for the repurchase of 1,000,000 shares of the Company.</li> </ul>	Approved unanimously as proposed by all attending committee members.	Submitted to the Board of Directors and approved by all attending directors.
11th Meeting of the 1st Term 2025.11.14	<ul style="list-style-type: none"> <li>A. Approval of the Company's 2026 audit plan.</li> <li>B. Approval of the Company's 2026 budget plan.</li> <li>C. Proposal to amend certain provisions of the "Operating Procedures for Treasury Stock Transfer."</li> <li>D. Proposal to amend certain provisions of the "Procedures for the Management of Company Seals and Important Documents."</li> <li>E. Proposal to amend certain provisions of the internal control system.</li> <li>F. Approval of the proposal for the Company's Q3 2025 Consolidated Financial Statements.</li> </ul>	All Attending Committee Members Approved unanimously as proposed.	Submitted to the Board of Directors and approved by all attending directors.

- (2) Except for the aforementioned matters, other resolutions not approved by the Audit Committee but approved by at least two-thirds of all Directors: No such situation.
2. Execution Status of Independent Directors' Recusal from Proposals Involving Conflicts of Interest (should state the names of independent directors, content of the proposal, reasons for recusal due to conflict of interest, and voting status): Not Applicable.
3. Communication Status between Independent Directors and the Chief Internal Auditor and the Independent Auditors (should include significant matters, methods, and outcomes of communication regarding the Company's financial and sales operations):
- (1) The Company's Chief Internal Auditor provides monthly audit reports to the Independent Directors for their review and also reports and explains the execution status of the audit plan or significant audit findings during each quarterly Audit Committee meeting.
  - (2) The Company's Independent Directors maintain sound communication with the independent auditors. The independent auditors communicate with the Independent Directors during each quarterly Audit Committee meeting regarding the results of their audit (review) of the financial statements and matters required by relevant laws and regulations.
  - (3) Independent directors can also communicate with the Chief Internal Auditor and the independent auditors regarding the Company's financial and sales operations through telephone, email, or in-person meetings.
  - (4) Communication Matters and Outcomes between Independent Directors, the Chief Internal Auditor, and the Independent Auditors in the Most Recent Year:

Meeting Date	Communication methods	Communicated matters	Communication Outcomes
2025.03.12	Seminars	A. Independence of the CPAs, key audit matters, the CPAs' expected audit opinion for 2024, the International Federation of Accountants' Code of Ethics, prior consent for non-assurance services. B. Explanation of updates to securities-related regulations. C. Explanation of updates to taxation-related regulations. D. Implementation status of the audit plan from for 2024. E. Board performance evaluation and the 2024 internal self-assessment. F. 2024 Statement of Internal Control System.	No dissenting opinions.
2025.03.12	Audit Committee and the Board of Directors	A. Internal Audit Operational Report. B. The Company's 2024 Statement of Internal Control. C. Approval of the independence of the independent auditors of Ernst & Young for 2024. D. Proposal for the Company's 2024 Business Report and Financial Statements.	No dissenting opinions.
2025.05.12	Audit Committee and the Board of Directors	A. Internal Audit Operational Report. B. Proposal for the Company's Q1 2025 Consolidated Financial Statements.	No dissenting opinions.
2025.08.11	Audit Committee and the Board of Directors	A. Internal Audit Operational Report. B. Proposal for the Company's Q2 2025 Consolidated Financial Statements.	No dissenting opinions.
2025.11.14	Audit Committee and the Board of Directors	A. Internal Audit Operational Report. B. Proposal for the Company's 2026 audit plan.. C. Proposal for the Company's Q3 2025 Consolidated Financial Statements.	No dissenting opinions.

(3) Corporate Governance Practices and Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons Therefor

Assessment Item	Governance Practices (Note)			Deviation from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons.
	Yes	No	Summary Description	
1. Has the Company established and disclosed its Corporate Governance Practices and differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company's Board of Directors approved the establishment of the "Corporate Governance Best Practice Principles" on April 19, 2023, and disclosed it on the Company's website and the Market Observation Post System.	No material deviation.
2. Shareholding Structure and Shareholders' Rights				
(1) Has the Company established internal procedures for handling shareholder proposals, inquiries, disputes, and litigation matters, and are these procedures being followed?	✓		A. The Company has designated a spokesperson and deputy spokesperson responsible for handling shareholder proposals, inquiries, and disputes. B. The shareholder services section of the Investor Relations area on the Company's website provides a dedicated contact line and email address.	No material deviation.
(2) Does the Company keep track of the major shareholders who have actual control over the Company and the ultimate controllers of such major shareholders?	✓		The Company has designated personnel and a shareholder services agent responsible for monitoring the shareholding status of directors, managerial officers, and shareholders holding 5% or more of the Company's shares. This information is reported monthly in accordance with applicable regulations.	No material deviation.
(3) Has the Company established and implemented risk control and firewall mechanisms for transactions with affiliated enterprises?	✓		A. The Company has established the "Regulations for the Management of Related Party Transactions (including Specific Companies and Corporate Groups)" as the basis for risk control in dealings with affiliated enterprises. B. Business interactions between the parent company and its subsidiaries are conducted in accordance with the Company's "Subsidiary Supervision and Management Guidelines."	No material deviation.

Assessment Item	Governance Practices (Note)			Deviation from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons.
	Yes	No	Summary Description	
(4) Has the Company established internal regulations to prohibit insiders from trading securities using non-public information?	✓		The Company has established the "Insider Trading Prevention Guidelines" and the "Procedures for Handling Material Internal Information" to prohibit insiders from trading securities using material non-public information, With internal training and promotion from time to time.	No material deviation.
3. Composition and Duties of the Board of Directors				
(1) Does the board of directors draft and implement diversified policies and specific management objectives?	✓		For details on the Company's board diversity policy, specific management objectives, and implementation status, please refer to page 7 of the Annual Report.	No material deviation.
(2) Has the Company voluntarily established various other functional committees in addition to the Remuneration Committee and the Audit Committee according to the law?	✓		In addition to establishing a Remuneration Committee and an Audit Committee in accordance with legal requirements, the Company has also established a Sustainability Committee. The establishment of other functional committees will be evaluated based on future needs.	No material deviation.
(3) Has the Company established the Board performance assessment measure and evaluation method, implemented performance evaluation annually and regularly, reported the results of the performance evaluation to the Board of Directors, and applied the results to individual directors' remuneration and nomination for consecutive terms of office?	✓		A. The Company's Board of Directors approved the adoption of the "Rules for Performance Evaluation of Board of Directors," on April 9, 2024, and the internal performance evaluation of the Board of Directors is conducted once a year. B. The Company completed its internal self-evaluation of the Board of Directors' performance for the year 2025. The evaluation covered the overall performance of the Board, individual directors, and functional committees. The results indicated that the Board is operating effectively. The evaluation was reported to the Board of Directors on March 09, 2026, and has been used as a reference for determining individual directors' remuneration and nomination for re-election.	No material deviation.

Assessment Item	Governance Practices (Note)		Summary Description	Deviation from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons.																				
	Yes	No																						
(4) Does the Company regularly assess the independence of CPAs?			<p>The Company's Accounting Department conducts an annual assessment of the independent auditors' professional competence, independence, and suitability (evaluation details provided below). The independent auditors have also submitted an independence declaration for the entrusted audit work. The assessment of the CPA's independence for the year 2025 was approved by both the Audit Committee and the Board of Directors on March 9, 2026.</p> <table border="1"> <thead> <tr> <th>Assessment Item</th> <th>Assessment Result</th> </tr> </thead> <tbody> <tr> <td>A. The independent auditors have no direct or material indirect financial interest in the Company.</td> <td><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</td> </tr> <tr> <td>B. There is no significant and close business relationship between the independent auditors and the Company.</td> <td><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</td> </tr> <tr> <td>C. There is no potential employment relationship between the independent auditors and the Company during the audit period.</td> <td><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</td> </tr> <tr> <td>D. There are no loan arrangements between the independent auditors and the Company.</td> <td><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</td> </tr> <tr> <td>E. The independent auditors have not received gifts or gratuities of significant value (i.e., exceeding normal standards of social courtesy) from the Company or its directors or officers.</td> <td><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</td> </tr> <tr> <td>F. The independent auditors have not provided audit services to the Company for seven consecutive years.</td> <td><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</td> </tr> <tr> <td>G. The independent auditors do not hold any shares in the Company.</td> <td><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</td> </tr> <tr> <td>H. Neither the independent auditors, their spouses or dependents, nor members of their audit team have served as a director, officer, or in any position that could significantly influence the audit engagement during the audit period or within the past two years. It has also been confirmed that they will not assume such roles during the upcoming audit period.</td> <td><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</td> </tr> <tr> <td>I. The independent auditors comply with the independence requirements set forth in The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 "Integrity, Objectivity and Independence" and have submitted a signed "Independence Declaration."</td> <td><input checked="" type="checkbox"/>Yes <input type="checkbox"/>No</td> </tr> </tbody> </table>	Assessment Item	Assessment Result	A. The independent auditors have no direct or material indirect financial interest in the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	B. There is no significant and close business relationship between the independent auditors and the Company.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C. There is no potential employment relationship between the independent auditors and the Company during the audit period.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	D. 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Assessment Item	Governance Practices (Note)			Deviation from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons.
	Yes	No	Summary Description	
			Assessment Result: For the current fiscal year, CPA Hung, Kuo-Sen and CPA Li, Fang-Wen of Ernst & Young, Taiwan were engaged as the independent auditors for the Company's financial statements. Based on the assessment, both individuals were determined to meet the independence and suitability requirements without concern.	
4. Has the Company appointed an appropriate number of qualified corporate governance personnel and designated a corporate governance officer responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with the information required to perform their duties, assisting directors and supervisors in complying with applicable laws and regulations, handling matters related to Board and shareholders' meetings in accordance with the law, and preparing minutes of such meetings)?	✓		<p>The Company has appointed personnel responsible for corporate governance-related matters and has designated a deputy head of the management department, who has extensive management experience within the Company, to serve as the corporate governance officer. This role is responsible for promoting corporate governance and supporting the effective functioning of the Board of Directors.</p> <p>Corporate governance-related matters should at a minimum include the following:</p> <p>A. Handling company registration and changes to registration.</p> <p>B. Conducting matters related to the meetings of the Board of Directors and the Shareholders' Meeting in accordance with the law, and assisting the Company in complying with the relevant laws and regulations of the Board of Directors and the Shareholders' Meeting.</p> <p>C. Preparing minutes of Board and shareholders' meetings.</p> <p>D. Providing directors with the information necessary to perform their duties, including updates on the latest legal and regulatory developments related to the Company's operations, to assist directors in complying with applicable laws.</p> <p>E. Matters related to investor relations.</p>	No material deviation.

Assessment Item	Governance Practices (Note)			Deviation from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons.
	Yes	No	Summary Description	
			F. Other matters specified in the Articles of Incorporation or contractual agreements.	
5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on its website, and appropriately responded to key corporate social responsibility issues of concern to stakeholders?	✓		The Company has established a stakeholder section on its website with a designated contact window. In addition, the spokesperson and deputy spokesperson are responsible for handling related matters. The Company provides the latest information through the Market Observation Post System and its website to facilitate communication channels for stakeholders under various circumstances.	No material deviation.
6. Has the Company appointed a professional shareholder services agent to handle shareholders' meeting matters?	✓		In addition to establishing an internal unit dedicated to shareholder services, the Company has appointed the "Stock Transfer Agency Department of Fubon Securities Co., Ltd." as its professional agent to assist with shareholders' meetings and other shareholder-related matters.	No material deviation.
7. Information Disclosure				
(1) Has the Company established a website to disclose financial, business, and corporate governance information?	✓		The Company has established an "Investor Relations" section on its website to disclose at least three years of financial, business, and corporate governance information. A designated person is responsible for regularly updating the content.	No material deviation.
(2) Has the Company adopted other methods of information disclosure (such as maintaining an English-language website, appointing personnel responsible for collecting and disclosing company information, implementing a spokesperson system, or posting investor conference materials on the Company's website)?	✓		A. The Company's website: spec.com.tw B. The Company has appointed dedicated personnel responsible for compiling and disclosing company information, and information disclosure is carried out by the designated spokesperson and deputy spokesperson. C. Materials from the investor conferences held by the Company are made publicly available on the Company's website and the Market Observation Post System.	No material deviation.

Assessment Item	Governance Practices (Note)			Deviation from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons.
	Yes	No	Summary Description	
(3) Does the Company announce and file its annual financial report within two months after the end of the fiscal year, and announce and file its first, second, and third quarter financial reports and monthly operating results ahead of the regulatory deadlines?		✓	The Company has not yet announced and filed its annual financial report within two months after the end of the fiscal year; however, it continues to announce and file financial reports and monthly revenue figures within the required deadlines.	Not announced or filed in advance.
8. Are there any other important disclosures that help stakeholders understand the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training, implementation of risk management policies and risk assessment standards, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?	✓		<p>A. Employee Rights and Employee Care: The Company's management places a high level of importance on employee rights. In addition to complying with the Labor Standards Act and relevant laws and regulations, the Company has established an Employee Welfare Committee and allocates employee welfare funds and retirement benefits. It also actively promotes various welfare programs and activities to protect employee rights, enhance retention, and strengthen the Company's competitiveness.</p> <p>B. Investor Relations and Stakeholder Rights: In accordance with relevant regulations, the Company discloses operating information through the "Market Observation Post System" to safeguard the rights and interests of stakeholders. A spokesperson and deputy spokesperson have been designated, and contact channels such as email and telephone are provided to enable stakeholders to share feedback.</p> <p>C. Supplier Relations: The Company emphasizes the reasonableness of procurement pricing. Decisions are made after thorough comparison of factors such as unit price, specifications, payment terms, delivery schedule, product and service quality, and other relevant information. Communication</p>	No material deviation.

Assessment Item	Governance Practices (Note)			Deviation from the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons.
	Yes	No	Summary Description	
			<p>channels between the Company and its customers and suppliers remain open and effective, and the relationships are well maintained.</p> <p>D. Continuing Education of Directors: Please refer to (Note 1).</p> <p>E. Implementation of Risk Management Policies and Risk Assessment Standards: The Company has established an internal control system in accordance with applicable laws and regulations. It conducts annual risk assessments and formulates an annual audit plan to reduce and prevent potential risks.</p> <p>F. Implementation of Customer Policies: Adhering to a service philosophy of efficiency, integrity, and pursuit of excellence in quality, the Company assigns dedicated personnel to manage customer accounts, understand customer needs, and provide timely feedback to relevant departments.</p> <p>G. The Purchase of Liability Insurance for Directors: The Company has purchased liability insurance for all directors and managerial officers.</p>	
<p>9. Please describe the improvements made based on the most recent Corporate Governance Evaluation results published by the Corporate Governance Center of the Taiwan Stock Exchange, and identify priority items and measures for areas that have not yet been improved. (Not required for companies not included in the evaluation) Not applicable.</p>				

Note: Regardless of whether "Yes" or "No" is selected under the operational status column, a summary explanation must be provided.

Note 1: Director Continuing Education Status for the Year 2025.

Title	Name	Training date	Organizer	Course name	Hours of continuing education
Chairman (President) Vice Chairman (Vice President of Sales) Director (Vice President of Materials) Director (Vice President of Procurement) Director Independent Director Independent Director Independent Director	Chang, Hung-Chen	2025/04/15	Taiwan Corporate Governance Association	Corporate Governance and the Responsibilities of Directors and Managers in Mergers and Acquisitions	3
	Liu, Li-Chi	2025/05/12	Taiwan Corporate Governance Association	What Investors Are Thinking: Discussing Corporate Sustainable Transformation through ESG Investment and Financing	3
	Chang, Chi-Hsiang	2025/08/11	Taiwan Corporate Governance Association	The Impact of Latest Tax Law Changes on Corporate Operations and Response Measures	3
	Chang, Jui-Lin	2025/11/14	Taiwan Corporate Governance Association	Sustainability Disclosure Standards the Board Should Be Aware Of	3
Independent Director	Chang, Ruey-Hsing	2025/05/12	Taiwan Corporate Governance Association	What Investors Are Thinking: Discussing Corporate Sustainable Transformation through ESG Investment and Financing	3
		2025/06/23	Taiwan Corporate Governance Association	Trump 2.0: The Death of Globalization and Upcoming Regional Wars	3
		2025/08/11	Taiwan Corporate Governance Association	The Impact of Latest Tax Law Changes on Corporate Operations and Response Measures	3
		2025/11/14	Taiwan Corporate Governance Association	Sustainability Disclosure Standards the Board Should Be Aware Of	3

(4) Composition and Operation of the Remuneration Committee:

A. Information on Remuneration Committee Members:

At the Extraordinary Shareholders' Meeting held on November 28, 2023, the Company elected four independent directors and established the first Remuneration Committee.

Criteria Identity	Name	Professional Qualifications and Experience	Independence Status	Number of publicly listed companies where the member concurrently serves as Salary and Remuneration Committee member
Independent Director/Convener	Chou, Sheng-Huang	Possesses work experience in commercial, legal, financial, and managerial functions within the banking industry. Previously served as Assistant Vice President of the Tainan Regional Corporate Banking Center, CTBC Bank Co., Ltd., and Assistant Vice President of the Credit Department - Institutional Banking of Taipei Fubon Commercial Bank Co., Ltd. (retired). None of the circumstances listed under Article 30 of the Company Act apply.	Serves as an independent director and meets the independence criteria, including but not limited to: neither the director, spouse, nor relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or any of its affiliates; does not hold any shares in the Company; does not serve as a director, supervisor, or employee of any company having a specific relationship with the Company; and has not received any remuneration in the past two years for providing business, legal, financial, or accounting services to the Company or its affiliates.	0
Independent Director	Hong, Wou-Paul	Possesses practical experience in the management and sales of fastener manufacturing and processing, as well as the steel industry, aligned with the Company's required industry expertise. Previously served as Chairman of You Hsin International Corp. (now QST International Corp.) (retired), Supervisor of Sin Fu Shan International Corp., and Supervisor of Mu Hsin Investment Co., Ltd. None of the circumstances listed under Article 30 of the Company Act apply.		0
Independent Director	Chang, Ruey-Hsing	Possesses practical experience in legal, commercial, and academic management, currently serving as Distinguished Professor at Southern Taiwan University of Science and Technology. Previously served as Professor and Director of the Graduate Institute of Financial and Economic Law at Southern Taiwan University of Science and Technology, and Director of the Science & Technology Law Institute at the Institute for Information Industry. None of the circumstances listed under Article 30 of the Company Act apply.		0
Independent Director	Fang-Tsai Chiu	Possesses professional experience in financial accounting and taxation and is a certified public accountant who has passed the national CPA examination. Currently serves as Managing Partner of		3

ria Identity Name	Crite Name	Professional Qualifications and Experience	Independence Status	Number of publicly listed companies where the member concurrently serves as Salary and Remuneration Committee member
		Ching Hsin CPAs. Brings extensive practical experience and thorough knowledge of relevant regulations, which supports the Board in improving the quality of corporate governance. Previously served as Associate at Deloitte Taiwan, Senior Specialist in the Underwriting Department of Grand Cathay Securities Corporation; Lead Auditor at AMIT Wireless Inc., and Independent Director of Ying Han Technology Co., Ltd., GeneFerm Biotechnology Co., Ltd., and Macauto Industrial Co., Ltd. None of the circumstances listed under Article 30 of the Company Act apply.		

**B. Duties of the Remuneration Committee:**

The Committee faithfully performs the following duties and submits its recommendations to the Board of Directors for resolution:

- (A) Periodically reviews the Charter and proposes amendments as needed.
- (B) Establishes and periodically reviews the policies, systems, standards, and structures for annual and long-term performance goals and remuneration of the Company's directors and managerial officers .
- (C) Periodically evaluates the performance of the Company's directors and managerial officers in achieving performance goals and determines the content and amount of their individual remuneration.

**C. Composition and Operation of the Remuneration Committee:**

- (A) The Company's Remuneration Committee consists of four members.
- (B) Term of current committee members: November 28, 2023 to November 27, 2026.
- (C) In 2025, the Remuneration Committee convened a total of 4 (A) meetings, and the attendance was as follows:

Title	Name	Actual attendance (B)	No. of attendances by proxy	Attendance rate (%) (B/A)	Remarks
Convener of Independent Directors	Fang-Tsai Chiu	4	0	100%	
Independent Director	Chou, Sheng-Huang	4	0	100%	

Independent Director	Chang, Ruey-Hsing	4	0	100%	
Independent Director	Hong, Wou-Paul	4	0	100%	

Other information to be disclosed:

1. If the Board of Directors does not adopt or modifies the recommendations of the Remuneration Committee, it shall disclose the date of the board meeting, meeting session, proposal content, resolution results, and how the Company handled the Remuneration Committee's opinions (if the remuneration approved by the Board is more favorable than that recommended by the Remuneration Committee, the differences and reasons shall be explained): No such situation occurred.
2. If any member of the Remuneration Committee expresses an objection or reservation regarding a resolution, and such opinion is recorded or stated in writing, the meeting date, session, proposal content, all members' opinions, and how those opinions were handled shall be disclosed: No such situation occurred.

**D. Summary of Remuneration Committee Resolutions in 2025:**

Remuneration Committee Meeting Session & Date	Proposal Content	Resolution Result	Company's Response and Implementation Status
6th Meeting of the 1st Term 2025.03.12	A. Proposal for the remuneration of directors and employees of the Company for 2024. B. Proposal to amend certain provisions of the Company's "Employee Remuneration and Bonus Distribution Guidelines."	Approved unanimously as proposed by all attending committee members.	Submitted to the Board of Directors and approved by resolution
7th Meeting of the 1st Term 2025.05.12	A. Proposal for managing the employee stock trust and the participation of managerial officers in the employee stock trust, and establishing the "Employee Stock Trust Committee Management Guidelines." B. Proposal for the Dragon Boat Festival bonus plan for managerial officers in 2025.	Approved unanimously as proposed by all attending committee members.	Submitted to the Board of Directors and approved by resolution
8th Meeting of the 1st Term 2025.08.11	A. Proposal for the Mid-Autumn Festival bonus plan for the Company's managerial officers in 2025. B. Proposal to amend certain provisions of the "Employee Stock Trust Committee Management Guidelines."	Approved unanimously as proposed by all attending committee members.	Submitted to the Board of Directors and approved by resolution
9th Meeting of the 1st Term 2025.11.14	A. Proposal for the year-end bonus plan for managerial officers in 2025.	Approved unanimously as proposed by all attending committee members.	Submitted to the Board of Directors and approved by resolution

- (4) Composition and Operation of the Nomination Committee: Not established; therefore, not applicable.

(5) Implementation of Sustainability Practices and Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons Therefor

Items	Implementation Status			Deviation from the Best Practices for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary Description	
1. Has the Company established a governance structure for promoting sustainable development, set up full-time (part-time) units for driving sustainable development, had the board of directors to authorize top management to deal with related matters and instructed the board of directors to supervise?	✓		<p>A. The Company's Board of Directors has approved the establishment of the "Sustainable Development Best Practice Principles" to fulfill its corporate social responsibility and promote economic, environmental and social progress to achieve the goal of sustainable development.</p> <p>B. The Board of Directors has established a Sustainability Development Committee and authorized the management department to lead and drive sustainability initiatives. A part-time sustainability unit has been set up, with 4 subcommittees focusing on corporate governance, sustainable environment, social welfare, and sustainability information disclosure. These subcommittees are responsible for implementing the Company's social responsibility and public interest initiatives. The committee holds at least two formal meetings each year, and the status, decisions, and outcomes of the Company's sustainability efforts are reported to the Board of Directors at least once a year.</p> <p>C. (A) The Company reported the implementation status of its sustainability efforts for 2024 to the Board of Directors on May 12, 2025, and November 14, 2025. (B)The Company reported the progress of its greenhouse gas inventory and assurance disclosure for 2025 to the Board of Directors on March 9, 2026.</p>	No material deviation.
2. Has the Company conducted risk assessments on environmental, social, and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and formulated relevant risk management policies or strategies?	✓		<p>A. The Company has established the "Sustainable Development Best Practice Principles" and, in accordance with the principle of materiality, conducts risk assessments on environmental, social, and corporate governance issues related to its operations. To enhance risk management practices, strengthen corporate governance, and reduce potential operational risks, the Company adopted a Risk</p>	No material deviation.

Items	Implementation Status			Deviation from the Best Practices for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary Description	
			<p>Management Policy and Procedures through a resolution of the Board of Directors on August 14, 2024, to implement a sound risk control and oversight mechanism.</p> <p>B. The Company's risk management organizational structure includes the Board of Directors, the Audit Committee, and relevant departments and units. Each department/unit conducts risk identification based on the Company's operating environment, potential risk scenarios, and their possible impact on operations, to identify risks that affect the Company's strategies and objectives.</p> <p>Risk Identification Dimensions Include:</p> <p>Strategic Risks: Including industry changes, technological developments, business model transformation, and organizational adaptability.</p> <p>Operational Risks: Including market supply and demand, business interruptions, information security management, intellectual property, investment activities, and insurance.</p> <p>Financial Risks: Including interest rates, exchange rates, liquidity, debt ratio, and management of derivative instruments.</p> <p>Environmental Risks: Including climate change, natural disasters, food safety and environmental protection, and occupational health and safety.</p> <p>Regulatory and Compliance Risks: Including environmental regulations, personal data protection, corporate governance, and anti-corruption.</p>	
<p>3. Environmental issues</p> <p>(1) Has the Company established an appropriate environmental management system based on the characteristics of its industry?</p>	✓		<p>In addition to complying with all applicable environmental regulations in its business operations, the Company has also obtained ISO 14001 Environmental Management System certification.</p>	No material deviation.

Items	Implementation Status			Deviation from the Best Practices for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary Description	
(2) Has the Company committed to improving the efficiency of resource utilization and to using renewable materials with lower environmental impact?	✓		The Company is committed to improving the efficiency of resource utilization. It implements recycling practices and selects resource management methods that comply with proper waste disposal regulations to minimize environmental impact. The Company also promotes the use of an electronic approval system to reduce the printing of correspondence and official documents. Internal communications are conducted via email to further reduce paper usage, and packaging materials such as cardboard boxes and pallets, although non-recyclable, are reused after their initial use to minimize the environmental impact of the Company's operations.	No material deviation.
(3) Has the Company assessed its current and future potential risks and opportunities of climate change and taken countermeasures against climate-related issues?	✓		The Company actively promotes energy conservation and carbon reduction measures (such as adjusting air conditioning use, taking the stairs, and using public transportation) as well as initiatives to reduce greenhouse gas emissions, water consumption, and waste generation. Equipment is regularly maintained and upgraded to further reduce greenhouse gas emissions. The Company monitors climate change risks and opportunities from laws and regulations, natural disasters and others, and develops countermeasures based on their degree of impact.	No material deviation.
(4) Has the Company compiled statistics on its greenhouse gas emissions, water consumption, and total waste output over the past two years, and established policies for greenhouse gas reduction, water conservation, or other waste management practices?	✓		A.Greenhouse Gas Emissions: The Company's greenhouse gas inventory results, assurance status, and reduction policies can be found in Item 8, "Climate-Related Disclosure for TWSE/TPEX Listed Companies." B.Water Resource Management and Reduction Policies: The Company is committed to water resource management by monitoring water usage across different areas, preventing inefficient water use, and identifying opportunities for reduction. (A) Source Reduction: Source reduction is achieved through water management monitoring, improving the efficiency of water usage equipment, and reducing unnecessary water consumption.	No material deviation.

Items	Implementation Status			Deviation from the Best Practices for TWSE/TPEX-Listed Companies and the reasons									
	Yes	No	Summary Description										
			<p>(B) Conservation of Domestic Water Usage: Regular inspections of water pipe conditions are conducted, with old pipes being replaced to prevent leaks.</p> <p>(C) Sustainability Education on Water Resources: The Company promotes environmental protection awareness among all employees, enhancing internal and external stakeholders' understanding and responsibility for environmental sustainability to collectively protect the natural environment.</p> <p>Water Consumption in the Past Two Years:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water Consumption (million liters)</th> <th>Water Intensity (million liters / NT\$ million in revenue)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>7.26</td> <td>0.0032</td> </tr> <tr> <td>2025</td> <td>17.39</td> <td>0.0077</td> </tr> </tbody> </table> <p>C.Waste Management</p> <p>(A)The Company generates waste oil and waste cloth during the manufacturing process, which are collected and entrusted to qualified institutions for treatment and recycling once a certain amount is accumulated. Starting in 2024, the Company introduced reusable cleaning products (such as cloths or mops) that can be recycled after use, significantly reducing waste cloth production and achieving a reduction effect.</p> <p>(B)Generated iron particles and scrap metal are collected once a sufficient quantity is accumulated, then sold as scrap for market recycling and reuse.</p> <p>(C)In recent years, the Company has focused on managing various types of waste. In 2025, no violations of environmental regulations occurred, and all waste was properly handled in compliance with laws.</p> <p>Waste Output in the Past Two Years (Metric Tons):</p>	Year	Water Consumption (million liters)	Water Intensity (million liters / NT\$ million in revenue)	2024	7.26	0.0032	2025	17.39	0.0077	
Year	Water Consumption (million liters)	Water Intensity (million liters / NT\$ million in revenue)											
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<p>4. Social issues</p> <p>(1) Has the Company established relevant management policies and procedures in accordance with applicable laws and international human rights conventions?</p>	✓		<p>The Company complies with relevant labor laws and internationally recognized human rights conventions. It has established a human rights policy and related management procedures to safeguard employees' rights and interests.</p> <p>The scope of the Company's human rights policy applies to all managerial officers and employees (individuals employed by the Company who perform work and receive wages or remuneration), as well as affiliated enterprises, associated companies, suppliers, contractors, and partners (including customers and communities). The Company is committed to preventing any form of human rights violations.</p>	No material deviation.															
<p>(2) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits), and appropriately reflected business performance or results in employee compensation?</p>	✓		<p>A. The Company has adopted the "Work Rules" and "Employee Performance Evaluation Policy" to ensure fair remuneration, leave, and various employee benefits. A reasonable incentive system is in place to encourage performance and value creation, and related systems are regularly reviewed and updated.</p> <p>B. An Employee Welfare Committee has been established to implement various employee benefit programs.</p> <p>C. The Company, in accordance with the Articles of Incorporation, provides employees' remuneration based on the Company's operating conditions.</p>	No material deviation.															

Items	Implementation Status			Deviation from the Best Practices for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary Description	
			D. To motivate employee performance and retain talented individuals, the Company has established an "Employee Stock Trust Committee" composed of employees and has set forth management procedures.	
(3) Has the Company provided a safe and healthy work environment, and regularly carried out safety and health education for employees?	✓		<p>A. The Company has established occupational safety and health policies in accordance with the Occupational Safety and Health Act and respects the expectations of relevant stakeholders regarding workplace safety, aiming to build a healthy and fulfilling work environment. The Company takes disaster prevention and hazard control as its core concepts, using appropriate management tools, proven technologies, and available resources to address occupational safety and health issues across its operating sites. It proposes effective countermeasures, continuously promotes a safety culture, strengthens protection management for operational personnel, and allocates resources to enhance the prevention of occupational diseases, with the goal of creating a hazard-free environment.</p> <p>B. In 2025, the Company had one case of occupational disaster involving one person, accounting for 0.79% of the total number of employees of 127. Improvement Measures: Installation of anti-clamping devices, along with enhanced employee training on equipment operation and safety awareness.</p> <p>C. The Company's occupational safety training and promotion in 2025:  (A) Fire and disaster drills held on June 25, July 4, and December 24, with a total of 82 participants.  (B) Health and safety education sessions with a total of 84 participants.  (C) CPR + AED training for the public held on August 20 and 21, with a total of 81 participants.</p> <p>D. The number of fire cases in 2025 was 0.</p>	No material deviation.
(4) Has the Company established an effective career development training program for its employees?	✓		The purpose of the Company's career development training is to align with long-term corporate goals and focus on enhancing employees', professional skills and knowledge, ensuring continuous improvement in	No material deviation.

Items	Implementation Status			Deviation from the Best Practices for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary Description	
			key competencies and future critical skills. The Company also supports employees' career growth by encouraging on-the-job continuing education and providing official leave and subsidies for training expenses.	
(5) With regard to customer health and safety, customer privacy, marketing, and labeling of products and services, does the Company comply with relevant laws and international standards, and has it established policies and complaint procedures to protect consumer or customer rights?	✓		The Company's products are manufactured in accordance with international standards and the specifications provided in customer product drawings. A privacy policy is applied to these product drawings to ensure confidentiality. A stakeholder section is also available on the Company's website, along with a complaint mechanism to safeguard customer rights. If a quality complaint arises, a professional task force is formed to review the production process in relation to the issue. An 8D problem-solving report is prepared to identify root causes and implement preventive measures to avoid recurrence of similar incidents.	No material deviation.
(6) Has the Company established a supplier management policy requiring suppliers to comply with relevant standards in areas such as environmental protection, occupational safety and health, and labor and human rights, and what is the status of implementation thereof?	✓		<p>A. The Company has obtained certification for the ISO 9001 quality management system and meets the requirements of the IATF 16949 certification at its Rende Plant. Supplier management and evaluation are conducted to ensure supply chain quality and regulatory compliance. The Company has established procedures for supplier selection, assessment, and regular audits. Its supplier management framework takes into consideration factors such as quality, business ethics, labor rights, environmental protection, occupational health and safety, technical and supply capabilities, and the absence of hazardous substances.</p> <p>B. The Company has internally developed a comprehensive supplier scoring and management system, aimed at conducting thorough evaluations of suppliers based on objective data to ensure delivery accuracy and quality consistency.</p> <p>Scoring Indicators under the Supplier Evaluation and Management System: The evaluation items include quality systems, reliability of quality, on-time delivery, service, and whether or not ISO or IATF certifications have been obtained. Suppliers are classified into four tiers,</p>	No material deviation.

Items	Implementation Status		Summary Description	Deviation from the Best Practices for TWSE/TPEX-Listed Companies and the reasons																
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			<p>A, B, C, and D, based on quantified scoring and weighted calculations. Supplier classifications are reviewed annually. Suppliers whose ratings have been downgraded are subject to targeted audits and improvement counseling. D-tier suppliers are strictly controlled; if procurement from a D-tier supplier is necessary, a comprehensive evaluation report must be submitted for review, and orders may only be placed upon special approval by the President.</p> <p>C. The supplier assessment is conducted on quality, delivery time, and service quality. In 2025, the Company's supplier evaluation was based on the number of suppliers, totaling 139.</p> <p>Quality Systems:</p> <table border="1"> <thead> <tr> <th>IATF</th> <th>ISO</th> <th>NO</th> </tr> </thead> <tbody> <tr> <td>54</td> <td>74</td> <td>11</td> </tr> </tbody> </table> <p>Assessment Result:</p> <table border="1"> <thead> <tr> <th>Score grading</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Supplier rated A</td> <td>61</td> </tr> <tr> <td>Supplier rated B</td> <td>70</td> </tr> <tr> <td>Supplier rated C</td> <td>7</td> </tr> <tr> <td>Supplier rated D</td> <td>1</td> </tr> </tbody> </table> <p>Supplier Rating Tier C: The primary reason for this rating is the lack of a quality system, which results in significant score deductions. The second reason is issues with on-time delivery, which also contributed to the score reduction.</p> <p>Supplier Rating Tier D: This supplier had only shipped one batch of goods in the previous year, which led to customer complaints. As a result, the system automatically locks the supplier, halting further orders. An audit will be arranged by the quality assurance</p>	IATF	ISO	NO	54	74	11	Score grading	2025	Supplier rated A	61	Supplier rated B	70	Supplier rated C	7	Supplier rated D	1	
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			department, and once the supplier meets the required standards, the order can only be placed with special approval from the President.	
5. Has the Company referenced the international report preparation standards or guidelines on the preparation of sustainability reports and other reports that disclose the Company's non-financial information? Have the aforementioned reports been confirmed or verified by a third-party certification unit?	✓		Since being listed on the TPEX in 2025, the Company has implemented measures to enhance corporate governance, promote environmental sustainability, and uphold social welfare in accordance with the guidelines set forth in the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies. In response to the revised regulations under the "Sustainable Roadmap for Sustainable Development of Listed and OTC-traded Companies" and the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," the Company will compile the implementation results into its Sustainability Report, which will be disclosed in accordance with the prescribed timeline.	The Company is preparing its first Sustainability Report this year.
6. If the Company has established its own sustainability principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe their implementation status and any differences from the said Principles: The Company has established the "Sustainable Development Best Practice Principles," which were approved by resolution of the Board of Directors. The implementation of sustainability practices is integrated into daily operations, such as actively promoting corporate governance and providing a positive working environment for employees. The Company is committed to achieving the goals of environmental protection, social welfare, and economic growth as part of its broader pursuit of sustainable development. The Company continuously monitors domestic and international sustainability trends and changes in the business environment to review and improve its sustainability policies accordingly. In addition, the Company has adopted the "Ethical Corporate Management Best Practice Principles," the "Codes of Ethical Conduct," the "Corporate Governance Best Practice Principles," and the "Procedures for Handling Material Internal Information," all of which are actively implemented by the Board of Directors and management, ensuring their execution in both internal management and external business activities, thereby fulfilling the responsibilities of corporate operators. In addition, the Company has established "Work Rules" that clearly set out policies regarding employee recruitment, rewards, and grievance procedures, among other personnel-related matters. Accordingly, in the implementation of sustainability initiatives, the self-assessment report, which was prepared based on the relevant evaluation indicators, adequately reflects the Company's corporate governance practices..				
7. Other important information that helps to understand the implementation of sustainable development: (1) In accordance with ISO-14001, the Company is committed to achieving good relationship with the neighborhood in terms of the production environment and the neighborhood.				

Items	Implementation Status			Deviation from the Best Practices for TWSE/TPEX-Listed Companies and the reasons																				
	Yes	No	Summary Description																					
<p>(2) The rooftops of plants are equipped with solar power generation equipment, and environmental protection concept of the green energy power is achieved with zero-pollution solar energy renewable energy. The electric fork lift trucks reduce air pollution.</p> <p>(3) The Company has signed a Sustainability Development Commitment with E.SUN Financial Holding to implement corporate sustainability goals through concrete actions, promoting sustainable transformation and leveraging partnerships to amplify impact.</p> <p>(4) Continuously supported the adoption of domestic children for twenty years and has been recognized with the "Compassion &amp; Sustainability" award by the Taiwan Fund for Children and Families.</p> <p>(5) The Company's donations as feedback to the society in 2025 are as follows:</p> <table border="1"> <thead> <tr> <th>Recipient of donation</th> <th>Donation limit</th> </tr> </thead> <tbody> <tr> <td>10 scholarships for domestic children from Family Support Center</td> <td>240,000</td> </tr> <tr> <td>Taiwan Spinocerebellar Ataxia Association</td> <td>72,000</td> </tr> <tr> <td>Syin-Lu Social Welfare Foundation</td> <td>72,000</td> </tr> <tr> <td>Children Are Us Foundation</td> <td>60,000</td> </tr> <tr> <td>Genesis Social Welfare Foundation</td> <td>96,000</td> </tr> <tr> <td>Huashan Social Welfare Foundation</td> <td>60,000</td> </tr> <tr> <td>Little Angel Foundation</td> <td>60,000</td> </tr> <tr> <td>Pingdong Tzu-Yu Nursing Home</td> <td>60,000</td> </tr> <tr> <td>Chinese Christian Relief Association (Food Bank)</td> <td>240,000</td> </tr> </tbody> </table>	Recipient of donation	Donation limit	10 scholarships for domestic children from Family Support Center	240,000	Taiwan Spinocerebellar Ataxia Association	72,000	Syin-Lu Social Welfare Foundation	72,000	Children Are Us Foundation	60,000	Genesis Social Welfare Foundation	96,000	Huashan Social Welfare Foundation	60,000	Little Angel Foundation	60,000	Pingdong Tzu-Yu Nursing Home	60,000	Chinese Christian Relief Association (Food Bank)	240,000				
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Note 1: If "Yes" is selected for implementation status, please specify the key policies, strategies, measures adopted, and the implementation status. If "No" is selected, please explain the differences and reasons in the column titled "Differences and Reasons Compared to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and describe the Company's future plans for adopting relevant policies, strategies, and measures. However, with respect to Promotion Items 1 and 2, TWSE/TPEX listed companies shall disclose the governance and supervisory framework for sustainable development, including but not limited to the formulation of management policies, strategies, and objectives, as well as review and evaluation measures. In addition, the Company shall disclose its risk management policies or strategies related to environmental, social, and corporate governance issues relevant to its operations, as well as the status of their assessment.

Note 2: The principle of materiality refers to environmental, social, and corporate governance issues that may have a significant impact on the Company's investors and other stakeholders.

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

8. Climate-Related Disclosure for TWSE/TPEX Listed Companies:

(1) Status of Climate-Related Disclosure Implementation

Item	Implementation Status
<p>A. Describe the oversight and governance responsibilities of the Board of Directors and management with respect to climate-related risks and opportunities.</p>	<p>(A) The Company formally established the "Sustainable Development Committee" on August 14, 2024, and formulated the "Sustainable Development Committee Charter" as well as the "Sustainable Development Best Practice Principles." The Vice Chairperson is the convener of the Committee. The four members are board members, and the special assistant to the Vice President of the Administrative Department is assigned as the Chief Sustainable Development Officer. The tasks forces are divided into corporate governance team, sustainable environment team, social welfare team, and sustainable information disclosure team depending on the missions. The teams assists the committee members in the implementation of various plans, and reports the implementation of sustainable development to the Committee, and then the Committee reports the results to the Board of Directors.</p> <p>(B) The Company was approved for TPEX listing on March 18, 2025. As its paid-in capital is below NT\$5 billion, it will begin disclosing greenhouse gas inventory information for the preceding year starting in 2026. The Company conducts greenhouse gas inventory and assurance in accordance with the relevant guidelines and regulations issued by the competent authority. The Committee and the responsible team for the greenhouse gas inventory related to climate change may report to the supervising unit, the Board of Directors, regarding the detailed schedule of each greenhouse gas inventory plan and the Board of Directors' supervision, formulate the complete inventory procedure, and control the stage goal plan among other implementations.</p>
<p>B. Explain how the identified climate-related risks and opportunities affect the Company's business operations, strategies, and financial performance (short, medium, and long term).</p>	<p>The Company has identified and assessed the risks and opportunities that may arise from climate change (short-term, mid-term, and long-term), and regularly reviews the assesses the same, to adjust the operational strategy and resource allocation accordingly, in order to strengthen the Company's resilience and sustainable competitiveness. The following is a list of the potential effects that have been identified so far:</p> <p><b>Short-term (1 to 3 years)</b> Climate change has a short-term impact on the daily operating cost of the Company, including the increase in the cost of electricity consumption by the plant, and the increase in the frequency of air-conditioning system such as air conditioning in offices, resulting in an increase in overall energy expenditure. In addition, extreme weather events (such as high temperatures and heavy rains) may lead to short-term logistics delays or impacted employee attendance, which will have an indirect impact on operational efficiency. The Company has begun to promote the renewal of energy-saving equipment and green management of office spaces to reduce the pressure of energy expenses.</p> <p><b>Mid-term (3 to 5 years)</b> The government and the industry will be more and more demanding of green power or carbon reduction for enterprises. For example, the carbon fee system has come into effect, green power purchase quota, incorporation of ESG in supplier evaluation, etc., which will directly increase the production and management costs of the company. In addition, customers may request to provide products with carbon footprint information or low-emission. Corporates need to invest resources to conduct carbon inventory, supply chain management and system introduction, to meet the regulatory and market demands.</p> <p><b>Long-term (over 5 years)</b></p>

Item	Implementation Status
	<p>In the long run, climate change may lead to changes in the demand for industrial applications. For example, the continual rise of temperature may change the technical specifications of the materials, heat resistance, and corrosion resistance of fasteners by end customers. The Company must respond to the trend and adjust the R&amp;D direction and product design, and develop new-generation products that meet future climate conditions. In addition, long-term capital investments shall incorporate climate risk assessments to ensure that equipment upgrades and plant planning have sufficient climate resilience, for reducing the risk of operation interruptions or losses due to extreme weather in the future.</p>
<p>C. Describe the financial impact of extreme climate events and transformation-related actions.</p>	<p><b>1. Impact of extreme weather on finance</b>  As climate change intensifies, the frequency and severity of extreme weather events (such as heavy rains, typhoons, and heat waves) are increasing. The following impacts may be caused to the Company's finances:</p> <ul style="list-style-type: none"> <li>• Operation interruption and capacity reduction: Extreme weather may cause supply chain interruptions, logistics delays, or even temporary plant shutdown, which will affect the shipping schedule and capacity utilization rate, and thus affect the revenue performance.</li> <li>• The costs of equipment maintenance and damage increase: Changes in the natural environment such as high temperature and strong wind may accelerate equipment wear and tear, or increase the frequency of maintenance and replacement, and thus increase capital expenditure and maintenance expenses.</li> <li>• Insurance cost increases: The rise in extreme climate risks will cause property insurance companies to adjust premiums and reduce underwriting scope, which will increase the cost of insurance, or increase the deductible risk.</li> <li>• Employee safety and health risk: High temperature or heavy rain may affect the safety and health of employees, and further derive overtime, medical expenses or operating arrangement flexibility costs.</li> </ul> <p><b>2. Impacts of transformation on finance:</b>  In response to the international and domestic requirements for carbon reduction and sustainable development, the Company has promoted relevant transformation actions. Although it will increase costs in the short term, it will help to improve the competitiveness and market trust of the Company in the long term. The specific impacts are as follows:</p> <ul style="list-style-type: none"> <li>• The cost of compliance and transformation: In order to comply with the future carbon fee system and renewable energy use specifications, the Company needs to invest costs to introduce carbon inventory system, replace with energy-saving equipment, and purchase green power, which increases short-term financial expenses.</li> <li>• The invested capital expenditures increase: In order to improve the operational resilience and environmental protection performance, the Company will need to upgrade the plant and production line, such as introducing high-efficiency machines and building solar energy systems, which will affect the mid- and long-term capital expenditure planning.</li> <li>• Market opportunities and brand image improvement: Transformation is also a potential positive financial benefit, including entering the international large customers' supply chains, improving the brand ESG image, and obtaining sustainable financial preferential loans, which help to develop new markets and reduce financing costs.</li> </ul>

Item	Implementation Status
<p>D. Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the Company's overall risk management framework.</p>	<p>The Company has incorporated climate-related risks into the overall Enterprise Risk Management (ERM) structure as an important part of the Company's operational sustainability strategy. In order to systematically identify and respond to the potential impacts of climate change, the Company has established the following processes and integrated them into the existing risk management system:</p> <ol style="list-style-type: none"> <li><b>1. Risk identification and classification</b> Regular meetings are held through cross-department task forces and the Sustainable Development Committee to identify and classify climate-related risks, including: <ul style="list-style-type: none"> <li>• Physical risks: Physical impacts such as extreme weather, rising temperature, or water shortage on the workplace, supply chain, or personnel health.</li> <li>• Transformation risks: such as changes in regulations, carbon fee policies, new energy transformation, green procurement, shifted customer requirements, etc.</li> </ul> </li> <li><b>2. Risk assessment and prioritization</b> After identifying the climate risks, the quantitative and qualitative assessment will be conducted based on the "degree of impact x probability of occurrence," while incorporating the corporate risk matrix to assess the potential impact on finance, operations, reputation and compliance. The major risks will be reported to the senior management and the Board of Directors for discussion and response.</li> <li><b>3. Response and monitoring of risks</b> For high-risk items, the Sustainable Development Committee will draft specific management countermeasures, such as improving disaster prevention facilities, building carbon inventory system, planning green energy utilization strategy, etc., and incorporate them into the annual business plan and budget review. Each department will take specific improvement actions depending on its responsibilities, and track and report the progress of its efforts on a regular basis.</li> <li><b>4. Integration to corporate governance and continuous improvement</b> After the integration of the climate risk management process with the existing risk management structure, it is incorporated in the risk supervision mechanism at the Board of Directors level. The Company regularly reviews and updates the climate risk list and related response strategies every year, to respond to changes in the external environment, and ensures that climate risks and other operational risks are included in the overall strategy and resource allocation decision-making basis.</li> </ol>
<p>E. If scenario analysis is used to assess the resilience of the Company to climate change risks, disclose the scenarios, parameters, assumptions, analytical factors, and key financial implications.</p>	<p>The Company has not yet used scenario analysis to conduct assessment, but is expected to conduct assessment on this assessment tool to improve the Company's resilience to climate change risks.</p>
<p>F. If a transformation plan has been developed to address climate-related risks, describe the contents of the plan, as well as the metrics and targets used to identify and manage physical and transition risks.</p>	<p>The transformation plan shall be established based on the actual condition of the Company. Before the Company implements, the Company shall conduct various risk assessments and formulate strategies to reduce the impact of the Company on climate change and transformation risks.</p>

Item	Implementation Status
G.If an internal carbon pricing mechanism is adopted as a planning tool, disclose the basis for price determination.	The Company has not yet used internal carbon pricing as the planning tool.
H.If climate-related targets have been established, disclose the relevant activities covered, scopes of greenhouse gas emissions, planning horizon, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet such targets, disclose the source and quantity of the emissions reduced through offsets and/or the number of RECs used.	(A) The Company's total greenhouse gas emission in 2025 was 400.447 tons of CO <sub>2</sub> e, covering Scope 1 (direct emission from fuel) and Scope 2 (indirect emission from purchased electricity). As the Company's power consumption in offices is not high and the plant is of moderate size, it has not yet reached the "major power consumer" criteria. Therefore, there is no compulsory carbon inventory or carbon burden. (B) The climate-related goals are still under planning.
I. Greenhouse gas inventory and assurance status, along with emission reduction targets, strategies, and specific action plans, are disclosed separately in 1-1 and 1-2).	Also fill in 1-1 Greenhouse Gas Inventory and Assurance for the Most Recent Two Years and 1-2 Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans.

## 1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent Two years

### 1-1-1 Greenhouse Gas Inventory Information

Item	Greenhouse Gas Inventory Information																											
Disclose the Company's greenhouse gas emissions (in metric tons CO <sub>2</sub> e) and emissions intensity (metric tons CO <sub>2</sub> e per NT\$ million) for the most recent two fiscal years, as well as the scope of data coverage.	The Company began conducting ISO 14064-1:2018 organizational greenhouse gas inventories in 2023, and all subsidiaries included in the consolidated financial statements started their greenhouse gas inventories in 2024:																											
	<table border="1"> <thead> <tr> <th>Year</th> <th>Scope of coverage</th> <th>Scope 1</th> <th>Scope 2</th> <th>Total Emissions</th> <th>Intensity</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>Parent company</td> <td>66.6887</td> <td>333.7582</td> <td>400.447</td> <td>0.1926</td> </tr> <tr> <td rowspan="3">2024</td> <td>Parent company</td> <td>57.6665</td> <td>343.9189</td> <td>401.5854</td> <td rowspan="3" style="text-align: center;">/</td> </tr> <tr> <td>All subsidiaries</td> <td>13.0737</td> <td>21.3251</td> <td>34.3988</td> </tr> <tr> <td>Total</td> <td>70.7402</td> <td>365.2440</td> <td>435.9842</td> <td>0.1944</td> </tr> </tbody> </table>	Year	Scope of coverage	Scope 1	Scope 2	Total Emissions	Intensity	2023	Parent company	66.6887	333.7582	400.447	0.1926	2024	Parent company	57.6665	343.9189	401.5854	/	All subsidiaries	13.0737	21.3251	34.3988	Total	70.7402	365.2440	435.9842	0.1944
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	2024	Parent company	57.6665	343.9189	401.5854	/																						
All subsidiaries		13.0737	21.3251	34.3988																								
Total		70.7402	365.2440	435.9842	0.1944																							
Note: Scope 1: Direct greenhouse gas emissions (from emission sources owned or controlled by the Company). Scope 2: Indirect greenhouse gas emissions from purchased energy (such as emissions from the consumption of electricity and other indirect sources). The intensity of greenhouse gas emissions is calculated using the data of emissions per revenue (NT\$ million).																												

1-1-2 Greenhouse Gas Assurance Information

Item	Greenhouse Gas Assurance Information				
<p>Disclose the assurance status for the most recent two years as of the publication date of the Annual Report, including the scope of assurance, assurance provider, assurance standards applied, and assurance opinions.</p>	<p>The Company began conducting assurance in 2023, and all subsidiaries included in the consolidated financial report started conducting assurance in 2024:</p>				
	Year	Assurance Scope	Assurance Organization	Assurance Standards	Assurance Opinion
	2023	Parent company	DNV Business Assurance Co., Ltd. DNV Business Assurance Co., Ltd.	ISO 14064-1:2018 ISO 14064-3:2019 ISO 14065:2020 ISO 14066:2011	Unmodified Opinion, with Reasonable Assurance, confirming that the review report contains no material misstatements.
2024	Parent company and all subsidiaries in the consolidated financial statements	DNV Business Assurance Co., Ltd. DNV Business Assurance Co., Ltd.	ISO 14064-1:2018 ISO 14064-3:2019 ISO 14065:2020 ISO 14066:2023 Financial Supervisory Commission's Sustainable Development Roadmap	Unmodified Opinion, with Reasonable Assurance, confirming that the inventory information contains no material misstatements or misrepresentation.	
<p>Scope 1: Direct Greenhouse Gas Emissions                      Scope 2: Indirect Emissions from Purchased Energy                      The boundary of the organization is defined using the Operational Control method.                      In the past two years, the Company's greenhouse gas inventories have passed third-party verification, receiving an unmodified opinion with reasonable assurance, demonstrating the high reliability of the disclosed information.</p>					

1-2. Greenhouse Gas Reduction Targets, Strategies, and Action Plans

Item	Greenhouse Gas Reduction Targets, Strategies, and Action Plans
<p>Disclose the base year and baseline data for greenhouse gas reduction, the Company's reduction targets, strategies, specific action plans, and the status of progress toward achieving the targets.</p>	<p>The Company has conducted a greenhouse gas survey in accordance with the ISO 14064-1:2018 inventory standards and the competent authority's requirements. Since the Sinji plant has not yet been fully operational, in order to ensure data completeness, the baseline year is set to 2027. The annual reduction targets are as follows:            Short-term goal: Reduce greenhouse gas emission by 1% annually over the next 5 years.            Mid-term goal: Reduce greenhouse gas emission by 10% within 10 years.            Long-term goal: Reduce greenhouse gas emissions by 30% over the next 30 years.            The concrete actions are as follows:</p> <ul style="list-style-type: none"> <li>● Enhancing existing energy-saving equipment and green management of office spaces to mitigate the pressures from the energy expenses.</li> <li>● Encouraging all employees to comply with environmental protection regulations and participate in energy-saving and carbon reduction activities.</li> <li>● Assist suppliers in executing greenhouse gas inventory, provide data, and comply with regulations.</li> </ul>

(6) The implementation of ethical corporate management and the deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Assessment Item	Operating status			Deviation and cause of deviation in practice differences compared to TWSE/GTSM listed companies
	Yes	No	Summary Description	
1. Integrity management policy and plan formulation				
(1) Has the Company formulated an integrity management policy approved by the board of directors, expressed the integrity management policy and practices in regulations or external documents, and have the board of directors and senior management actively implemented the management policy?	✓		The Company has established, as approved by the Board of Directors, the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" as the basis for implementing ethical corporate management practices, clearly defining the Company's policies and practices related to ethical business conduct, and require that directors, managerial officers, employees, appointees, and individuals with actual control over the Company adhere to the principles of honesty and integrity, refrain from engaging in dishonest conduct, and actively fulfill their commitment to integrity management. The aforementioned procedures are disclosed in electronic format on the Company's website to clearly communicate the relevant regulations to the public.	No material deviation.
(2) Has the Company established a dishonesty risk assessment mechanism, regularly analyzed and evaluated business activities with a high risk of dishonesty, and formulated a plan to prevent dishonesty that at least covers the preventive measures provided by Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?"	✓		The Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" incorporate the business activities involving risks of unethical conduct as outlined in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies." A dedicated reporting channel has been established to allow internal and external parties to report incidents of unethical or improper behavior.	No material deviation.
(3) Has the Company expressly formulated the operating procedure, behavior guideline, as well as	✓		The Company has established the "Ethical Corporate Management Best Practice Principles," "Codes of Ethical Conduct," and "Procedures for Reporting Illegal, Unethical, and Dishonest Conduct," which set out the	No material deviation.

Assessment Item	Operating status			Deviation and cause of deviation in practice differences compared to TWSE/GTSM listed companies
	Yes	No	Summary Description	
disciplinary penalty and grievance system plans, and implemented them accordingly to prevent dishonest behavior and reviewed and revised them on a regular basis?			standards of conduct personnel are required to observe in the course of business operations. These policies prohibit the offering or acceptance of improper benefits and serve as the foundation for implementing measures to prevent unethical behavior. The Company will continue to review these policies and make revisions as necessary.	
2. Integrity management practice				
(1) Has the Company assessed the integrity records of counterparties and specified the terms of integrity in the contracts signed with counterparties?	✓		The Company's "Ethical Corporate Management Best Practice Principles" is published on the Company's website and has been communicated to business partners. Prior to engaging in transactions with counterparties, relevant assessments and procedures are conducted. The rights and obligations of both parties are clearly defined in the agreements, which include provisions requiring compliance with the Company's integrity management policy. In the event that a counterparty is found to have engaged in dishonest conduct, the Company reserves the right to terminate or rescind the contract at any time.	No material deviation.
(2) Has the Company established a special unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) reported the dishonesty prevention integrity management policies and plans to the board of directors in order to supervise the implementation status?	✓		The Company has established a Sustainable Development Committee, under which a Corporate Governance Task Force is formed to be responsible for promoting ethical management, anti-corruption, anti-bribery, and regulatory compliance. And in accordance with the "Ethical Corporate Management Best Practice Principles," the Company continuously plans, implements, and reviews relevant measures to ensure the system's effective operation.  In addition, the Company consolidates the results and implementation status of ethical management at least once a year and reports them to the Board of Directors. The most recent report was presented at the Board meeting held on May 13, 2026.	No material deviation.
(3) Has the Company formulated a policy to prevent conflicts of interest as well as provide appropriate	✓		1. Pursuant to Article 20 of the Company's "Ethical Corporate Management Best Practice Principles," directors and managerial officers shall pay attention to and proactively avoid any conflicts of interest	No material deviation.

Assessment Item	Operating status			Deviation and cause of deviation in practice differences compared to TWSE/GTSM listed companies
	Yes	No	Summary Description	
presentation channels, and implemented them accordingly?			<p>involving themselves. While they may express their opinions and respond to inquiries at Board meetings, they shall not participate in discussions or voting on such matters.</p> <p>2. The Company provides multiple reporting channels, including a dedicated employee grievance unit and a whistleblower email, to allow for the reporting of any violations of business integrity or ethical conduct.</p>	
(4) Has the Company established an effective accounting system and internal control system to implement integrity management, formulated the relevant audit plans based on the dishonesty risk evaluation results of the internal audit unit and inspected or commissioned a CPA to inspect and ensure compliance with the dishonesty prevention plans?	✓		<p>1. The Company has established an effective accounting system and internal control system to prevent business activities with a higher risk of unethical conduct, thereby ensuring the continued effectiveness of the design and implementation of these systems.</p> <p>2. The Company's internal audit unit conducts audit operations in accordance with the annual audit plan approved by the Board of Directors. Audit reports are submitted to the Audit Committee, and the implementation status of the audits is reported to both the Audit Committee and the Board of Directors. In addition, filings are made with the competent authority in accordance with applicable regulations.</p>	No material deviation.
(5) Has the Company conducted internal and external education and training on integrity management regularly?	✓		In 2025, the Company conducted internal and external education and training programs related to ethical management (including courses on regulatory compliance for ethical management, occupational safety management and inspection, accounting systems, and internal controls), with a total of 713 participants and 1,954 cumulative training hours.	No material deviation.
3. Company whistleblowing system operation status				
(1) Has the Company established a specific reporting and reward system, a convenient reporting channel, and assigned	✓		On April 9, 2023, the Board of Directors approved the "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct" and Article 52 of the "Work Rules." Under these procedures, appropriate designated personnel are assigned to handle	No material deviation.

Assessment Item	Operating status			Deviation and cause of deviation in practice differences compared to TWSE/GTSM listed companies
	Yes	No	Summary Description	
appropriate personnel to handle the subjects reported?			reported cases, and both internal and external reporting channels and procedures have been established. These measures are intended to ensure the effective implementation of the Company's Codes of Ethical Conduct and Ethical Corporate Management Best Practice Principles, while also safeguarding the legal rights and interests of both whistleblowers and the individuals being reported.	
(2) Has the Company established standard operating procedures for accepting complaint reports and adopted follow-up measures and related confidentiality mechanisms for after investigations have been completed?	✓		The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and "Procedures for Reporting Illegal, Unethical, and Dishonest Conduct." In accordance with these procedures, all reported cases are investigated and handled through a standardized process under a confidentiality mechanism. As of 2025, no reports have been received.	No material deviation.
(3) Has the Company taken measures to protect whistleblowers from improper treatment due to the complaint report?	✓		In accordance with Article 21 of the Company's "Procedures for Ethical Management and Guidelines for Conduct," the Company has clearly stipulated and is committed to protecting whistleblowers from improper treatment as a result of their reporting.	No material deviation.
4. Strengthening information disclosure Has the Company disclosed the content of its Corporate Governance Best Practice Principles and the effectiveness of the implementation of the principles on its website and the MOPS?	✓		The Company has disclosed its "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" in the investor section of the Market Observation Post System and on the Company's official website.	No material deviation.
5. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe its implementation and any deviations from the said Principles: The Company has adopted the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. These documents have been disclosed on the Company's official website and the Market Observation Post System. All employees of the Company are required to comply with these provisions. There is no material deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.				
6. Other material information helpful for understanding the Company's implementation of integrity management (e.g., the Company's review and revision of its established Ethical Corporate Management Best Practice Principles):				

Assessment Item	Operating status			Deviation and cause of deviation in practice differences compared to TWSE/GTSM listed companies
	Yes	No	Summary Description	
The Company adheres to applicable laws and regulations, as well as its internal control system, and strictly prohibits any unethical or unlawful conduct.				

Note: Regardless of whether "Yes" or "No" is selected under the operational status column, a summary explanation must be provided.

7. Other material information that may enhance understanding of the Company's corporate governance practices may also be disclosed:  
Information is available in the Corporate Governance section of the Market Observation Post System and the Investor Relations section of the Company's official website at <https://www.spec.com.tw>.

8. The following matters shall be disclosed regarding the implementation of the internal control system:  
(1) Statement of Internal Control System:

SPEC Products Corp.  
Statement of Internal Control System

Date: March 9, 2026

Based on the findings of a self-assessment with regard to the 2025 internal control system, SPEC Products Corp. hereby declare that:

1. The Company's board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system and have already established it. Its purpose is: i. to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets); ii. for the reliability, timeliness and transparency of the report; iii. to comply with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its three stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The assessment items adopted by the Principles for the internal control system are based on the process of management and control, and shall comprise the following constituent elements: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communications, and 5. monitoring activities. Each element contains several items. For the aforementioned items, please refer to the Principles.
4. The company has adopted the aforementioned items to assess the design and operating effectiveness of the internal control system.
5. Based on the findings of such evaluation, the Company believes that, on December 31, 2025, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. It is also hereby stated that this statement was approved by the Board of Directors on March 9, 2026, with the consent of all directors present.

SPEC Products Corp.  
Chairman and President: Chang, Hung-Chen

- (2) If an independent auditor has been engaged to conduct a special audit of the internal control system, the independent auditor's audit report shall be disclosed: None.

9. Major resolutions of the shareholders' meeting and the Board of Directors during the most recent year and up to the publication date of the Annual Report:

(1) Major resolutions of the shareholders' meeting:

Meeting Date	Content of Important Proposals
2025.06.02 Annual General Meeting	Approval of the proposal for the 2024 Business Report and Financial Statements.
	Approval of the proposal for the 2024 earnings distribution.
	Approved the proposal on the amendment to parts of the provisions of the "Articles of Incorporation".

(2) Implementation status of major resolutions of the shareholders' meeting:

Under the 2024 earnings distribution proposal, cash dividends to shareholders amounted to NT\$162,247,694. The ex-dividend date was set for July 6, 2025, and the cash distribution was completed on July 18, 2025.

(3) Major resolutions of the Board of Directors in 2025 and up to the publication date of the Annual Report:

Meeting Date	Content of Important Proposals
8th Meeting of the 9th Term 2025.03.12	Approval of the proposal for the Company's 2024 Statement of Internal Control.
	Approval of the independence of the independent auditors of Ernst & Young for 2024.
	Approval of the appointment of independent auditors and their compensation for 2025.
	Approval of the Company's 2024 Business Report and Financial Statements.
	Approval of the proposal for the remuneration of directors and employees of the Company for 2024.
	Approval of the proposal for the 2024 earnings distribution.
	Approval of the proposal to amend certain provisions of the Company's "Articles of Incorporation."
	Approval of the proposal to amend certain provisions of the Company's "Employee Remuneration and Bonus Distribution Guidelines."
	Approval of the proposal to amend certain provisions of the Company's "Rules of Procedure for Board of Directors Meetings."
	Approval of the proposal to revise the Company's authorization table.
	Approval of the proposal for the Company to apply to Taipei Fubon Commercial Bank for the engagement of derivative financial instruments and structured products to hedge against exchange rate and interest rate fluctuation risks.
	Approval of the proposal for the Company to apply to E.SUN Bank to expand the scope of engagement in derivative financial instruments and structured products to hedge against exchange rate and interest rate fluctuation risks.
	Approval of the proposal to amend certain provisions of the Company's "Remuneration Guidelines for Directors, Functional Committees, and Managerial Officers."
Approval of the matters related to the convening of the 2025 Annual General Meeting of Shareholders.	
Approval of the proposal to handle matters related to shareholders; proposal	

Meeting Date	Content of Important Proposals
	rights for the 2025 Annual General Meeting.
9th Meeting of the 9th Term 2025.04.15	Approval of the proposal for increasing the total amount of 2024 earnings distribution. Approval of the proposal for the Company to apply for financing from Taipei Fubon Commercial Bank Co., Ltd.
10th Meeting of the 9th Term 2025.05.12	Approval of the proposal for managing the employee stock trust and the participation of managerial officers in the employee stock trust, and establishing the "Employee Stock Trust Committee Management Guidelines." Approval of the proposal for the Dragon Boat Festival bonus plan for managerial officers in 2025. Approval of the proposal for the Company's Q1 2025 Consolidated Financial Statements. Approval of the proposal to amend certain provisions of the internal control system.
11th Meeting of the 9th Term 2025.08.11	Approval of the proposal for the Mid-Autumn Festival bonus plan for the Company's managerial officers in 2025. Approval of the proposal to amend certain provisions of the "Employee Stock Trust Committee Management Guidelines." Approval of the proposal to amend certain provisions of the "Operating Procedures for Treasury Stock Transfer." Approval of the proposal for the Company's Q2 2025 Consolidated Financial Statements. Approval of the proposal for the repurchase of 1,000,000 shares of the Company. Approval of the proposal for the Company to apply for financing from EnTie Commercial Bank, Ltd. for operational turnover needs.
12th Meeting of the 9th Term 2025.11.14	Approval of the proposal for the year-end bonus plan for managerial officers in 2025. Approval of the proposal for the Company to enter into a management service agreement with its subsidiary, BCR INC. Approval of the Company's 2026 audit plan. Approval of the Company's 2026 budget plan. Approval of the proposal to amend certain provisions of the "Operating Procedures for Treasury Stock Transfer." Approval of the proposal to amend certain provisions of the "Procedures for the Management of Company Seals and Important Documents." Approval of the proposal to amend certain provisions of the internal control system. Approval of the proposal for the Company's Q3 2025 Consolidated Financial Statements. Approval of the proposal for the appointment of the Chief Sustainable Development Officer. Approval of the proposal for the Company to apply for financing from Mega International Commercial Bank Co., Ltd. Approval of the proposal for the Company to apply for financing from The Shanghai Commercial & Savings Bank, Ltd. Approval of the proposal for the Company to apply for financing from CTBC Bank Co., Ltd. Approval of the proposal for the Company to apply for financing from Cathay United Bank Co., Ltd. Approval of the proposal for the Company to apply for financing from Taipei Fubon Commercial Bank Co., Ltd.

Meeting Date	Content of Important Proposals
	Approval of the proposal for the Company to apply for financing from Bank of Taiwan
	Approval of the proposal for the Company to apply for financing from E.SUN Commercial Bank, Ltd.
	Approval of the proposal for the Company to apply for financing from EnTie Commercial Bank, Ltd.
13th Meeting of the 9th Term 2026.03.09	Approval of the proposal for the Company's 2025 Statement of Internal Control.
	Approval of the independence of the independent auditors of Ernst & Young for 2025.
	Approval of the appointment of independent auditors and their compensation for 2026.
	Approval of the proposal for the non-assurance services provided by Ernst & Young and its affiliates.
	Approval of the Company's 2025 Business Report and Financial Statements.
	Approval of the proposal for the remuneration of directors, supervisors and employees of the Company for 2025.
	Approval of the proposal for the 2025 earnings distribution.
	Approval of the proposal to amend certain provisions of the Company's "Articles of Incorporation."
	Approval of the proposal for the adjustment to the Company's Ministry of Economic Affairs registered seal custodian.
	Approval of the proposal to amend certain provisions of the Company's "Investment Cycle."
	Approved the proposal to amend some articles of the Company's "Assets Acquisition or Disposal Handling Procedures."
	Approval of the proposal for the full re-election of directors (including independent directors).
	Approval of the proposal to accept nominations for director candidates (including independent directors) from shareholders holding more than 1% of shares.
	Approval of the proposal to review the list of director candidates (including independent directors).
	Approval of the proposal to lift the non-compete restrictions on newly appointed directors (including independent directors).
Approval of the proposal for the 2026 Annual General Meeting.	
Approval of the proposal to accept shareholder proposals for the 2026 Annual General Meeting.	

10. During the most recent year and up to the publication date of this Annual Report, whether any director or supervisor expressed dissenting opinions, with records or written statements, regarding major resolutions passed by the Board of Directors: None.

#### 4. Information on Audit Fees Paid to Independent Auditors

- (1) Amounts of Audit and Non-Audit Fees Paid to the Independent Auditors, Their Accounting Firm, and Affiliated Enterprises, and Description of Non-Audit Services:

Unit: NT\$ thousands

Name of CPA firm	Name of CPA	CPA audit period	Auditing public expense	Non-auditing public expense	Total	Remarks
Ernst & Young, Taiwan	Hung Kuo-Sen	2025.01.01 – 2025.12.31	2,695	380	3,075	
	Li Fang-Wen	2025.01.01 – 2025.12.31				

Note: Audit fees refer to the amounts paid by the Company to the independent auditors for the audit and review of financial statements. Non-auditing public expenses include tax certification, business registration services, and others.

The following shall be disclosed if applicable:

- A. If the Company changes its accounting firm and the audit fees paid for the year of the change are lower than those paid in the preceding year, the audit fees paid before and after the change and the reasons must be disclosed: Not applicable.
- B. If audit fees decrease by more than 10% compared to the prior year, the amount, percentage, and reasons for the decrease must be disclosed: Not applicable.

#### 5. Information on the Replacement of CPAs:

The Company did not change its accounting firm during 2024, 2025, or the period thereafter.

6. Information on Whether the Chairman, President, or Managers Responsible for Financial or Accounting Affairs Has Served at the Independent Auditors' Firm or Its Affiliates in the Most Recent Year: None.
7. Shareholding Transfers and Changes in Pledged Shares by Directors, Supervisors, Managerial Officers, and Shareholders Holding More Than 10%:

- (1) Shareholding Transfers and Changes in Pledged Shares by Directors, Supervisors, Managerial Officers, and Shareholders Holding More Than 10%:

Title	Name	2025		2026 As of March 27	
		Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Pledged Shares	Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Pledged Shares
Chairman and President	Chang, Hung-Chen	188,000	—	89,000	—
Vice Chairman and Vice President	Liu, Li-Chi	—	—	—	—
Director and Vice President	Chang, Jui-Lin	(42,000)	—	(4,000)	—
Director and Vice President	Chang, Chi-Hsiang	—	-810,000	—	—
Director	Huang, Jin-Yuan	—	—	—	—
Independent Director	Chiu, Fang-Tsai	—	—	—	—
Independent Director	Chou, Sheng-Huang	—	—	—	—
Independent Director	Hong, Wou-Paul	—	—	—	—
Independent Director	Chang, Ruey-Hsing	—	—	—	—

Title	Name	2025		2026 As of March 27	
		Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Pledged Shares	Increase (Decrease) in Number of Shares Held	Increase (Decrease) in Number of Pledged Shares
Shareholders Holding More Than 10%	Hung Ning Investment Co., Ltd.	149,000	—	188,000	—
Shareholders Holding More Than 10%	Hao Xin Investment Co., Ltd.	120,000	—	98,000	—
Shareholders Holding More Than 10%	Xi Cheng Investment Co., Ltd.	122,000	—	46,000	—
Vice President of Administrative Department	Chang, Tung-Ching	40,000	—	—	—
Audit Officer	Huang, Tzu-Yun	(15,000)	—	—	—
Financial Officer	Liu, Hui-Hua	(1,000)	—	(7,000)	—
Accounting Officer	Fang, Chien-Hung	6,000	—	(6,000)	—

(2) If the counterparty to any share transfer or pledge is a related party: None.

8. Information on Whether the Top 10 Shareholders Are Related Parties or Have Spousal or Relationships Within the Second Degree of Kinship:

March 27, 2026; Unit: Shares; %

Name	Personal shareholding		Shares held by spouses or minor children		Total shares held under the name of others		Title, name or full name, and relationship of top 10 shareholders who are spouses or relatives within the second degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or full name)	Relationship	
Hung Ning Investment Co., Ltd. Representative: Chang, Hung-Chen	6,008,390	12.96%	—	—	—	—	Chang, Hung-Chen Liu, Hsiu-Chuan	Chairman Supervisor	
Hao Xin Investment Co., Ltd. Representative: Chang, Hung-Chen	5,586,074	12.05%	—	—	—	—	Chang, Hung-Chen Chang, Tse-Hao	Chairman Supervisor	
Xi Cheng Investment Co., Ltd. Representative: Chang, Hung-Chen	5,518,896	11.91%	—	—	—	—	Chang, Hung-Chen Chang, Tse-Hsi	Chairman Supervisor	
Chang, Hung-Chen	3,189,546	6.88%	400,400	0.86%	3,824,326	8.25%	Hung Ning/Hao Xin /Xi Cheng Investment Co., Ltd. Liu, Hsiu-Chuan Chang, Tse-Hao Chang, Tse-Hsi	Chairman Spouse First-degree kinship First-degree kinship	
Yi Wei Investment Co., Ltd. Representative: Liu, Li-Chi	2,405,940	5.19%	—	—	—	—	Liu, Li-Chi Li, Chen-Fen	Chairman Supervisor	

Name	Personal shareholding		Shares held by spouses or minor children		Total shares held under the name of others		Title, name or full name, and relationship of top 10 shareholders who are spouses or relatives within the second degree of kinship		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name (or full name)	Relationship	
Yi Bin Investment Co., Ltd. Representative: Liu, Li-Chi	2,403,958	5.19%	—	—	—	—	Liu, Li-Chi Li, Chen-Fen	Chairman Supervisor	
Chong Cheng Fastener Corporation	2,349,000	5.07%							
Kao, Yu-Ju	1,373,000	2.96%							
Chang, Chi-Hsiang	1,130,900	2.44%	—	—	—	—	Chen, Yi-Ting	Spouse	
Chang, Jui-Lin	916,226	1.98%	—	—	—	—	CHANG, PEI-HAN	First-degree kinship	

9. Number of Shares Held in the Same Investee Company by the Company, Its Directors, Supervisors, Managerial Officers, and Enterprises Directly or Indirectly Controlled by the Company, and the Combined Shareholding Percentage:

December 31, 2025; Unit: Thousand shares; %

Reinvestment business (Note)	Investment by the Company		Investments by Directors, Supervisors, Managerial Officers, and Enterprises Directly or Indirectly Controlled by the Company		Combined investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
BCR INC.	3,000	100%	-	-	3,000	100%
Suzhou Youlian Trading Co., LTD.	-	100%	-	-	-	100%

Note: These are investments by the Company accounted for using the equity method.

### Three. Fundraising Status

#### 1. Capital and shares

##### (1) Source of share capital

A. The Company's shares issued in the most recent year and up to the publication date of this Annual Report are as follows:

Unit: NT\$ thousands; thousand shares

Year and month	Price of issuance (NT\$)	Approved share capital		Paid-in capital		Remarks		
		Number of shares (thousand shares)	Amount (NT\$ thousand)	Number of shares (thousand shares)	Amount (NT\$ thousand)	Source of share capital	Those using assets other than cash to offset the share price	Others
2018.08	10	5,600	56,000	5,600	56,000	Capitalization of Retained Earnings, increasing authorized capital by NT\$21,000 thousand.	None	Note 1
2019.07	10	10,578	105,784	5,600	56,000	Increase in authorized capital by NT\$49,784 thousand.	None	Note 2
2019.10	10	10,578	105,784	10,578	105,784	New shares issued through merger, NT\$49,784 thousand	None	Note 3
2019.10	10	30,000	300,000	16,502	165,023	Capitalization of Retained Earnings, increasing authorized capital by NT\$59,239 thousand.	None	Note 4
2019.12	10	30,000	300,000	18,982	181,982	New shares issued through merger, NT\$16,959 thousand	None	Note 5
2021.09	10	80,000	800,000	36,396	363,964	Capitalization of Capital Surplus, NT\$181,982 thousand	None	Note 6
2024.01	10	80,000	800,000	40,896	408,965	Cash capital increase, NT\$45,000 thousand	None	Note 7
2025.03	10	80,000	800,000	46,356	463,565	Cash capital increase, NT\$54,600 thousand	None	Note 8

Note 1: Fu-Jing-Gong-Shang-Zi No.10700159360 dated 2018.08.14.

Note 2: Fu-Jing-Gong-Shang-Zi No.10800384800 dated 2019.07.12.

Note 3: Fu-Jing-Gong-Shang-Zi No.10800432370 dated 2019.10.18.

Note 4: Fu-Jing-Gong-Shang-Zi No.10800462820 dated 2019.10.22.

Note 5: Fu-Jing-Gong-Shang-Zi No.10813742510 dated 2019.12.13.

Note 6: Fu-Jing-Gong-Shang-Zi No.11000172490 dated 2021.09.02.

Note 7: Fu-Jing-Gong-Shang-Zi No.11212937360 dated 2024.01.02.

Note 8: Fu-Jing-Shang-Zi No. 11400343130 dated March 27, 2025.

B. As of the publication date of the Annual Report, the types of shares issued by the Company are as follows:

March 31, 2026; Unit: Shares

Type of shares	Approved share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	46,356,484	33,643,516	80,000,000	Stocks of a TPEX-listed company

C. Information Regarding Securities Issuance Through the Shelf Registration System:  
None.

(2) List of Major Shareholders

Shareholders holding 5% or more of the Company's shares. If fewer than ten shareholders meet this threshold, the names, number of shares held, and shareholding percentages of the top ten shareholders by ownership shall be disclosed:

March 27, 2026; Unit: Shares; %

Share	Number of shares held	Shareholding ratio
Name of major shareholder		
Hung Ning Investment Co., Ltd.	6,008,390	12.96%
Hao Xin Investment Co., Ltd.	5,586,074	12.05%
Xi Cheng Investment Co., Lt	5,518,896	11.91%
Chang, Hung-Chen	3,189,546	6.88%
Yi Wei Investment Co., Ltd.	2,405,940	5.19%
Yi Bin Investment Co., Ltd.	2,403,958	5.19%
Chong Cheng Fastener Corporation	2,349,000	5.07%
Kao, Yu-Ju	1,373,000	2.96%
Chang, Chi-Hsiang	1,130,900	2.44%
Chang, Jui-Lin	916,226	1.98%

(3) The Company's Dividend Policy and Its Implementation Status:

A. Dividend Policy as Stipulated in the Articles of Incorporation

If there is a profit in the Company's annual final accounts, it shall first pay taxes and offset for accumulated losses, and then provided 10% as the legal reserve. However, when the legal reserve reaches the Company's paid-in capital, this restriction shall not apply. Next, the special reserve shall be provided or reversed in accordance with the laws and regulations, and if there is any earning, the accumulated undistributed earnings shall be added up, for the board of directors to prepare a proposal of earning distribution, to be resolved in the shareholders' meeting for distribution.

The Company is currently in a growth stage. Its dividend policy takes into consideration current and future investment environments, capital requirements, domestic and international competition, and capital budgeting. The policy aims to balance shareholders' interests with long-term financial planning. Dividends may be distributed in the form of cash or stock, with the cash portion to be no less than 10% of the total dividends proposed for distribution.

B. Proposed Dividend Distribution for This Year's Annual General Meeting:

On March 9, 2026, the Board of Directors approved a resolution to allocate NT\$113,891,210 from the distributable earnings for 2025 as cash dividends for common shares. This proposal is scheduled to be submitted to the Annual General Meeting on May 25, 2026, for approval.

- C. If Any Material Changes to the Dividend Policy Are Expected, They Shall Be Disclosed: Not applicable.
- (4) Impacts of the proposed stock dividends on the Company's operating performance and earnings per share: Not applicable.
- (5) Directors, and Supervisors:
- A. Remuneration Percentages or Ranges as Specified in the Articles of Incorporation:
- If the Company records a profit for the year, no less than 1% shall be allocated as employee remuneration, and no more than 5% as director remuneration. Employee remuneration may be distributed in the form of cash or stock, as resolved by the Board of Directors. Eligible recipients may include employees of subsidiaries or controlled entities who meet specified criteria, with relevant rules authorized for formulation by the Board. However, if the Company has accumulated losses, the shortfall shall first be offset before the above-mentioned percentages are applied.
- B. Basis for Accruals of Employee, Director, and Supervisor Remuneration for the Current Year; Basis for Calculating the Number of Shares if Distributed as Stock; and Accounting Treatment for Any Differences Between Estimated and Actual Amounts: Not applicable.
- C. Remuneration distribution approved by the board of directors:
- (A) Actual Amounts of Employee, Director, and Supervisor Remuneration Distributed in Cash or Stock. For fiscal year 2025 (ending December 31, 2025), the Board of Directors, on March 9, 2026, resolved to distribute employee cash remuneration in the amount of NT\$4,382,019 and director remuneration of NT\$1,885,954. There was no difference from the amounts accrued and recognized in the financial statements.
- (B) Employee Remuneration Distributed in Stock and Its Percentage of Net Profit After Tax and Total Employee Remuneration: For 2025, the Board of Directors resolved on March 9, 2026, to distribute all employee remuneration in cash.
- D. Actual Distribution of Employee, Director, and Supervisor Remuneration for the Prior Year (Including Number of Shares, Amount, and Share Price); and Disclosure of Any Differences from Accrued Amounts, with Explanations and Handling: At the Annual General Meeting held on June 22, 2025, the Company reported the distribution of employee, director, and supervisor remuneration for 2024, which was consistent with the resolution passed by the Board of Directors, with no discrepancies.
- (6) Status of Share Repurchases by the Company:

Repurchase Round	1st Round
Purpose of Repurchase	To transfer shares to employees
Planned Repurchase Quantity	1,000,000 shares
Actual Repurchase Period	2025.08.12 – 2025.10.08
Repurchase Price Range	NT\$44.50~49.55
Type and Quantity of Repurchased Shares	800,000 common shares
Total Repurchase Amount	NT\$38,803,051
Percentage of Repurchased Shares Relative to Planned Repurchase Quantity (%)	80.00%
Shares Canceled or Transferred	0 shares
Total Shares Held by the Company	800,000 shares

Percentage of Shares Held by the Company Relative to Total Issued Shares (%)	1.73%
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2. Issuance of Corporate Bonds: None.
3. Preferred share handling status: None.
4. Overseas depositary receipt handling status: None.
5. Status of Employee Stock Warrants and Restricted Stock Awards: None.
6. Issuance of New Shares for Mergers or Acquisitions of Other Companies' Shares: None.
7. Implementation Status of Capital Utilization Plans:
  - (1) Plan Details:

Previous Offerings or Private Placements of Securities Not Yet Completed or Completed Within the Most Recent Three Years with Planned Benefits Not Yet Materialized: None.
  - (2) Implementation Status: Not applicable.

## Four. Operations Overview

### 1. Business Activities:

#### (1) Scope of Business:

##### A. Main Business Activities:

CA02030 Screw, Nut and Rivet Manufacturing.

CA02080 Metal forging industry.

F106010 Wholesale of Hardware

F401010 International Trade.

F111090 Wholesale of Building Materials.

F114030 Wholesale of Motor Vehicle Parts and Supplies

F119010 Wholesale of Electronic Materials

F113010 Wholesale of Machinery

ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

##### B. Revenue Composition:

Unit: NTD thousands; %

Year / Product Category	2024		2025	
	Net operating income	Percentage (%)	Net operating income	Percentage (%)
Fasteners - Electrical and Mechanical Type	1,944,608	80.74%	2,002,843	81.98%
Fasteners - Others	438,381	18.20%	417,179	17.07%
Others	25,479	1.06%	23,147	0.95%
Total	2,408,468	100.00%	2,443,169	100.00%

##### C. Current Products (or Services) and Applications:

The Company's main products consist of automotive fasteners in various sizes and industrial mechanical fasteners. Automotive and other electrical and mechanical related nuts account for approximately 80%, while other fasteners, primarily for construction and similar uses, account for about 20%. The Company operates on a made-to-order production model, with a primary focus on providing integrated solutions to customers. It specializes in the manufacturing of custom-specification screws and components, which are mainly used in the automotive industry. End customers include major automobile manufacturers in the Americas, Europe, and Japan, followed by large manufacturers of agricultural machinery and home appliances.

Strict quality control is also one of the Company's important values. The quality requirements for automotive parts in particular have always been very strict. The IATF 16949 certification owned by the plant is a necessary quality management certification for car manufacturers' suppliers. and A2LA accreditation, a testament to the Company's commitment to quality.

Most importantly, the Company is supported by a team of more than 30 highly skilled and experienced sales engineers, dedicated to delivering professional and high-quality services to customers. This team provides comprehensive support by reviewing all technical drawings and product details, including raw material selection, heat treatment conditions, and surface treatment specifications. In addition, they collaborate with customers on production planning and offer inventory management services as needed.

D. Planned New Product (or Service) Development and Intended Applications:

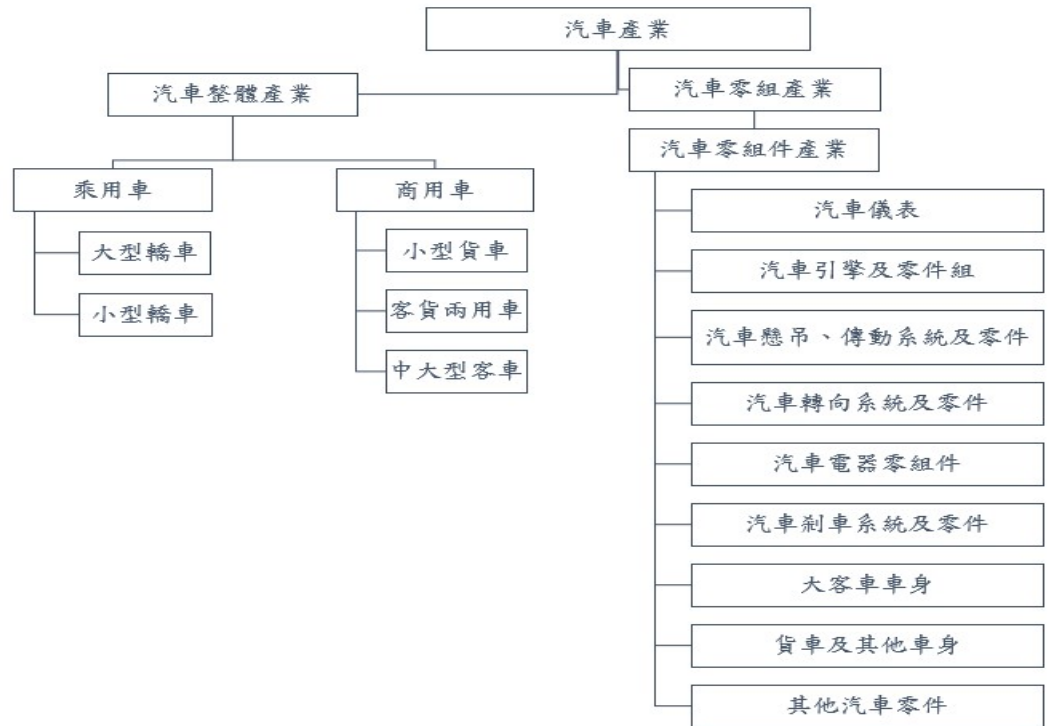
- (A) Develop new production processes and new machinery and equipment for products, and optimize the production process of special products, in order to increase the rate of in-house manufacturing.
- (B) The Company plans to implement advanced smart manufacturing systems in the future, including the development of customized automated machinery designed in collaboration with equipment manufacturers. Automated equipment will also be introduced for in-plant material handling processes to reduce labor requirements and minimize overhead crane operation time.
- (C) The first automated dispensing/assembly/laser machine for the "Two-Piece Locking TEC Washer" has been completed and is now in successful production. This has significantly contributed to labor reduction and cost savings. Full-size inventory is currently available, and the Company is actively participating in trade shows to expand its market share both domestically and internationally.
- (D) Components: Strive to secure orders for assembled component products and develop automatic assembly equipment for large quantities of components, to take orders stably and significantly reduce manpower and costs.
- (E) Automatic packaging machine: To reduce the cost of outsourcing packaging, and reduce the quality problems and pollution risks of outsourcing.
- (F) Cold punched aluminum fastener products: Most aluminum products currently rely on CNC machining. By utilizing cold forming to produce aluminum fasteners, the Company can significantly reduce customer costs and enhance production efficiency.

(2) Industry Overview:

A. Current Status and Development of the Industry:

(A) Overview of the Automotive Industry:

Fasteners are among the most critical components in the automotive industry due to the complexity and variety of required parts. On average, more than 2,000 screws and nuts are used in a single vehicle, applied across various subsystems including the engine, suspension, body, and interior, highlighting the substantial demand for fasteners in the automotive sector. The automotive industry is a capital- and technology-intensive sector with high added value. Its manufacturing processes are highly complex and require close collaboration across a wide range of industries. The automotive sector also drives the growth of related industries such as steel, rubber, electromechanical systems, glass, and coatings. When viewed from the perspective of complete vehicle production and parts manufacturing, the classification of the automotive industry and its components can be illustrated as follows.



The major global automotive markets include China, Europe, the United States, and Japan. Despite disruptions from the U.S.-China trade tensions and the COVID-19 pandemic in recent years, Asia remains the largest and fastest-growing market in the world. The region has recently experienced a compound annual growth rate (CAGR) of 6.5%. Key markets such as China, Malaysia, South Korea, and India have become primary destinations for foreign automakers to increase investment and expand operations. Asia is currently leading the global manufacturing resurgence, particularly in sectors such as electrical and electronic components, automotive, and machinery. Taiwan's automotive parts industry cluster is highly regarded for its internationally competitive capabilities, characterized by flexible, small-batch, and highly customized manufacturing supported by well-integrated hardware, software, and management systems. These strengths have made Taiwan a key player in the global automotive supply chain. The industry's main competitive advantages are as follows:

- a. A highly concentrated and comprehensive automotive parts industry cluster with tightly integrated supply chains.
- b. Continuous advancement in domestically manufactured machine tools and production equipment in Taiwan.
- c. Strong technical capabilities among component manufacturers, with refined expertise in mold design and fabrication.
- d. Well-established talent development and knowledge transfer mechanisms, contributing to high management efficiency.
- e. High-quality materials and ongoing breakthroughs in the development of new materials

Due to global shared automotive development platforms such as BMW UKL, Volvo CMA and SPA dual platforms, Volkswagen MQB, Toyota TNGA, and Subaru SGP, automakers' platform utilization has increased the parts sharing ratio among their various models, significantly reducing vehicle production costs. It is projected that the comprehensive adoption of extensively shared components will ultimately increase from the initial 20% to 30% to 70% to 80%.

Taiwan's automotive components industry is primarily engaged in metal machining and plastic injection molding. With extensive international experience and a strong foundation, Taiwan's export volume continues to grow steadily each year. Leading companies have entered the global supply chain of major international automakers through strategies such as overseas investment, establishment of production facilities, setting up foreign sales offices, technology partnerships, and even joint ventures. These companies have accumulated substantial experience across all segments, including aftermarket services (AM), original equipment manufacturing (OEM), and original design manufacturing (ODM).

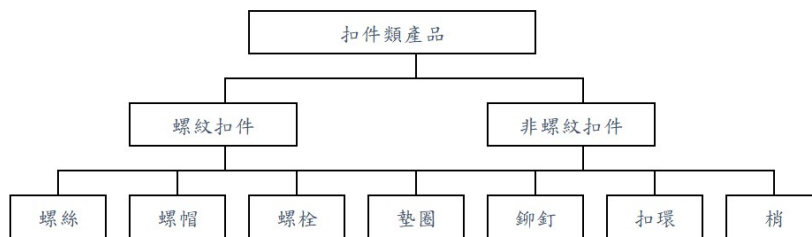
The automotive fastener industry is undergoing a major transformation, driven by the rapid growth of next-generation vehicles such as electric vehicles and the emergence of related markets including automotive electronics. Core customers are shifting from traditional automakers to new entrants and players in the automotive electronics sector. As a result, demand for fasteners used in internal combustion engines and transmission systems is expected to decline significantly. These will be replaced by fasteners designed for battery modules, electronic components, and fully electric vehicles. Suppliers capable of developing and producing these new products are likely to replace a portion of traditional manufacturers. Going forward, research and development will focus on new materials and manufacturing processes for next-generation fasteners, with an emphasis on lightweight construction, high conductivity, and rapid assembly. The global automotive fastener industry is expected to undergo a structural reshaping. Companies that establish direct partnerships with EV manufacturers will be better positioned to benefit, while traditional fastener manufacturers and distributors that secure positions within the evolving supply chain will continue to play important roles. Most fastener manufacturers

in Taiwan are small to medium-sized enterprises, and only a few have direct access to automotive manufacturers.

The Company views this industry transformation as a significant opportunity for upgrading and restructuring. We are committed to aligning with emerging trends and seizing opportunities for growth and development. Looking ahead, the continued expansion of emerging technology applications, sustained demand for remote business solutions, robust orders for advanced semiconductor processes, and the gradual recovery of traditional industries such as petrochemicals, steel, machinery, and automotive are expected to support momentum in the manufacturing sector. However, the global pandemic situation remains severe, and uncertainties persist due to the unresolved trade and technology disputes between the United States and China. The international economic outlook remains highly uncertain and will require close monitoring and a prudent response.

(B) Current Status of the Fastener Industry:

According to the classification principles for industrial products established by the Ministry of Economic Affairs, screws and nuts are collectively referred to as fasteners, and are primarily manufactured using wire rods as raw materials. Screw and nut products can be broadly categorized into two main types: threaded fasteners, which include bolts, studs, screws, and nuts; and non-threaded fasteners, which include rivets, washers, pins, and retaining rings, as illustrated in the diagram below.



Based on research conducted by the Taiwan Institute of Economic Research, the primary raw materials for the fastener industry are wire rods and metals such as nickel and zinc. Price fluctuations of these materials remain a key factor influencing product pricing. Entering 2025, as the global supply chain gradually restructures, raw material prices have stabilized compared to the pandemic period. However, they are still influenced by international energy prices and geopolitical factors, exhibiting a fluctuating trend within a range.

Looking back at recent developments, during the COVID-19 pandemic, the European and American markets experienced significant stockpiling, leading to a brief correction in demand afterward. However, as inventory digestion has reached a conclusion and end-user demand gradually recovers, orders have significantly rebounded starting in 2024. Following this trend, the overall market demand in 2025 is expected to maintain steady growth, particularly in the automotive and machinery-related applications, which show more noticeable recovery.

The Company is also aligning with the market recovery trend, continuously expanding its customer base and new product development. Order intake momentum is steadily improving, indicating that the fastener industry is gradually returning to a normal cycle, with overall steady development.

Regarding raw materials, the price of wire rods from China Steel is expected to remain stable in 2025. Although there may be slight adjustments, the overall fluctuation will be limited, which helps the Company manage costs and plan pricing strategies, reducing business uncertainties.

However, the global political and economic environment remains challenging. The direction of U.S. policies continues to impact the international trade order, especially in tariff policies, supply chain restructuring, and trade strategies towards China and the Asian markets, with high uncertainty still present. Moreover, geopolitical risks and regional economic divergence may also affect the performance of export-oriented industries.

Therefore, the Company will continue to monitor global economic and trade policy changes, strengthen market diversification, and actively improve product competitiveness and supply chain flexibility to adapt to external changes, ensuring the Company’s long-term steady development.

**B. Correlation Among Upstream, Midstream, and Downstream Segments in the Industry**

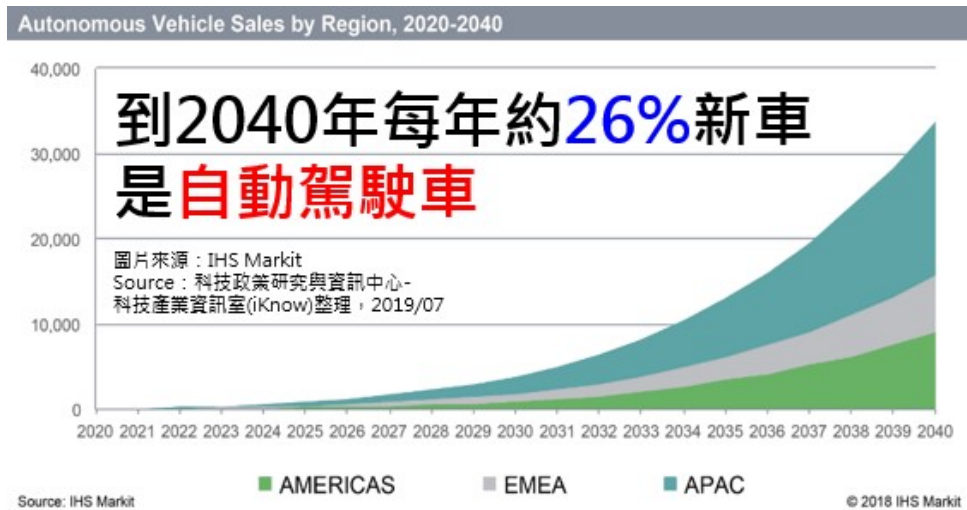
The fastener industry primarily relies on spheroidized wire as its key raw material. Spheroidized wire is produced by subjecting wire rods to heat treatment, which transforms the steel's microstructure into a spheroidized phase. This process prevents cracking during future stamping or forming operations. In the upstream segment, China Steel Corporation (CSC) is the largest supplier of wire rods, followed by other producers such as Chun Yu, Yieh Hsing, Quintain Steel, Tycoons, and Feng Hsin. Fastener manufacturers typically purchase wire rods from these suppliers and then engage specialized wire processing companies to carry out the spheroidization treatment. Peripheral supporting industries include manufacturers of forming machines, molds, heat treatment services, and surface treatment providers. Downstream industries encompass a wide range of sectors, including manufacturers of automotive and motorcycle parts, metalworking machinery, agricultural and horticultural machinery, and other general manufacturing industries. The interrelationship among the upstream, midstream, and downstream segments of the fastener industry is illustrated as follows:

<u>Upstream</u>	<u>Peripherals</u>	<u>Midstream</u>	<u>Channel</u>	<u>Downstream</u>
Spheroidized wire, stainless steel wire	Heat treatment, surface treatment, molding machinery, mold manufacturing	Carbon steel and stainless steel fasteners	Distributor, manufacturer	Transportation, machinery, construction, furniture, electronic and electrical appliances

Source: Metal Industries Research & Development Centre, IT IS Project

C. Product Development Trends:

(A) New Energy Vehicles and Autonomous Driving Market:



The global automotive industry is undergoing five major transformation trends: **electrification, autonomy, shared mobility, connectivity, and annual product cycle upgrades**. It is expected that by 2030, China will become a core market leading the transformation of the global auto industry, which will have a profound impact on the global auto supply chain and related parts and components industries.

First of all, **electrification** has become a common goal of global car manufacturers. Future vehicles will promote the concept of "zero emissions," with not only the vehicles themselves being electric (EVs), but also the electricity used for charging expected to come from renewable energy sources. This will enable truly low-carbon mobility and help address the challenges of climate change.

Second, **autonomy** is being enabled by rapid advancements in technologies such as artificial intelligence, machine learning, and deep neural networks, which are driving the continued maturation of **autonomous driving technologies**. Future vehicles will not only redefine the role of the "driver," but will also fundamentally transform how people perceive transportation and mobility.

The third is **shared mobility**. As autonomous driving technology becomes commercially viable, vehicles will no longer be viewed solely as personal property, but rather as on-demand, shareable transportation resources. Users will be able to book vehicles at any time through convenient "mobility-on-demand" platforms, reducing the need for individual car ownership while improving overall transportation efficiency.

Fourth, connectivity (Connected Vehicles) has also become a central trend in the industry. Not only will vehicles be intelligently connected with each other (V2V) and with infrastructure (V2I) to enhance driving safety and traffic efficiency, but passengers will also be able to stay connected to the outside world in real time through in-vehicle internet technologies, enabling communication, remote work, and multimedia applications.

Fifth is the **acceleration of product upgrade cycles**. While traditional vehicle models followed a refresh cycle of five to eight years, the advancement of the four aforementioned technologies is driving automakers to continuously introduce new features and software updates. As a result, the industry is shifting toward an "annual update" model, with significantly faster innovation and development cycles.

However, it is worth noting that the **recent growth momentum in the global electric vehicle (EV) market has shown signs of slowing**. Contributing factors include the incomplete rollout of charging infrastructure, lingering consumer concerns over battery life and driving range, and the phase-out of government subsidies in certain regions. Therefore, while electrification remains a long-term trend, its actual pace of development and market acceptance will require ongoing monitoring and adaptive strategic planning.

(B) Closer Integration Within the Supplier Ecosystem:

Recent trends in the global automotive market reveal significant changes in the structure of the contract manufacturing ecosystem. To expand production scale, major automakers have shifted away from vertically integrated manufacturing toward lower in-house production ratios for automotive components. As a result, their reliance on external parts suppliers has increased. Automotive component suppliers have thus evolved from pure contract manufacturers into key R&D partners. Their responsibilities now extend beyond traditional manufacturing to include product design and development, production, quality assurance, lead time management, and after-sales service. To reduce production costs, these large component suppliers have increasingly adopted outsourcing models or formed joint ventures. They have also streamlined their supplier base to build long-term partnerships. Through vendor-managed inventory systems, they aim to lower supply chain costs, assume greater responsibility for product quality, and provide just-in-time delivery services.

(C) OEMs Lower Production Costs in Response to Competitive Pressures:

Faced with external environmental pressures, automotive manufacturers are gradually shifting toward customer-oriented business models. In the future, they are expected to place greater emphasis on product design and customer relationship management. This also reflects a trend toward increased outsourcing, as automakers move away from procuring individual parts or components and adopt a "modular" supply model involving integrated systems supplied by component manufacturers. Currently, component manufacturers in Europe, the United States, and Japan are actively focusing on the development of modular automotive parts. As Europe and the U.S. are the main export markets for Taiwan's automotive components, this trend is expected to create new business opportunities for Taiwanese manufacturers.

D. Competitive Landscape:

In general, automotive component manufacturers can be categorized into two groups: those that supply original equipment manufacturers (OEMs) for vehicle assembly, and those that serve the global automotive after-sales service market (AM or Aftermarket). are discussed below.

(A) OEM Market

Taiwan's automotive component OEM market has faced development bottlenecks due to the relatively small size of the domestic market and the stringent quality and control requirements set by original equipment manufacturers. However, in recent years, local manufacturers have increased their investment in R&D, resulting in significant improvements in production technology and product quality. Some components have already reached a level of international competitiveness and are gradually expanding into global markets.

(B) AM Market

Taiwan's automotive parts exports primarily focus on general maintenance and replacement parts such as plastic components, stamped metal parts, lighting systems, and tires, with the global aftermarket being the main target segment. According to the Taiwan External Trade Development Council (TAITRA), as Taiwan's automotive component industry mainly serves the aftermarket, the quality requirements are generally less stringent compared to those for OEM assembly parts. Consequently, price competition in this segment is more intense, and products from developing countries pose a greater competitive threat.

The Company primarily serves the OEM market, although transactions with OEMs or Tier 1 suppliers are typically conducted through our customers (distributors). The Company's main competitors are Taiwanese trading firms and manufacturers. Key competitive factors include customer loyalty, price competitiveness, product quality, quotation turnaround time, on-time delivery rate, lead times, responsiveness to customer needs, and overall service quality. In addition, the competitive landscape is not limited to Taiwan; the Company must also compete with global suppliers. Countries such as Spain, Italy, the United States, Turkey, and Mexico are home to many strong and capable manufacturers. We must continuously monitor and adjust our strategic direction to maintain our competitiveness.

(3) Technology and R&D Overview

A. Technology Level and Research & Development

The Company continues to expand its R&D initiatives by developing new manufacturing processes, diversifying its product portfolio, and enhancing technical training for personnel. These efforts aim to support the development of high value-added products, increase market share, and strengthen the Company's competitive advantage.

B. Mold design

The Company possesses in-house capabilities for designing molds for screws and nuts. Well-executed mold design helps reduce tool wear and enables more efficient production, ultimately leading to lower manufacturing costs.

### C. R&D and Production of New Products

The Company regularly reviews market conditions and internal capabilities to determine the strategic direction for developing new products.

- (A) Recent investments in the development and production of the TEC-Washer have proven highly successful. Revenue from this product has shown steady growth, particularly in the U.S. market, and new customers continue to be added in Europe and Taiwan.
- (B) Given the complexity of the U-bolt manufacturing process, the Company is currently working closely with partner firms to jointly develop more efficient production processes and machinery.
- (C) For Wireform products, which come in a wide range of specifications, the Company is evaluating the implementation of relevant machinery. Plans are underway to optimize the process by leveraging our manufacturing and management expertise, with the goal of reducing production and management costs through automation.
- (D) As aluminum fasteners gain traction alongside the lightweighting trend in electric vehicles, demand for such products is expected to increase. Unlike conventional steel fasteners, aluminum products are more prone to cracking and fractures. The Company has successfully developed cold forging processes for aluminum fasteners that meet required hardness specifications without cracking. Moreover, aluminum fastener production requires reliable suppliers of high-quality aluminum wire rods with stable quality and no supply interruptions. The Company has already established partnerships with more than two such suppliers.

### D. R&D Expenditures Over the Past Five Years

Unit: NTD thousands; %

Item/Year	2021	2022	2023	2024	2025
R&D expenditure	3,978	6,050	11,583	11,547	10,483
Net operating income	2,425,134	2,842,849	2,284,597	2,408,468	2,443,169
R&D expenditure as a percentage of revenue	0.16%	0.21%	0.51%	0.48%	0.43%

### E. Successfully Developed Technologies or Products in the Past Five Years

Year	Item
2018	Two-Piece Locking Nut Assembly (NORDIC NUT®) (Taiwan and the People's Republic of China)
	Two-Piece Locking Screw Assembly (NORDIC SCREW®) (Taiwan and the People's Republic of China)
2019	Two-Piece Locking Screw Assembly (NORDIC SCREW®) (Japan)
	Two-Piece Locking Nut Assembly (NORDIC NUT®) (Japan)
	Three-Stage Surface-Modified Stainless Steel Material and Manufacturing Method (Taiwan)

Year	Item
2023	Automation of Assembly Process for Building Clamp Products (Taiwan)

(4) Short and Long Term Business Development Plans

A. Short Term Objectives

- (A) To expand business lines and develop markets in Japan, South Korea and Southeast Asia.
- (B) Introduce automated intelligent manufacturing into the production process to improve the in-house manufacturing rate and expand the market share.
- (C) Increase product diversity and actively develop patented products to expand sales of patented products.

B. Mid to Long Term Objectives

- (A) Establish overseas locations and manufacturing bases to achieve faster delivery and more timely customer service.
- (B) Cultivate technical personnel, enhance technical proficiency, and improve customized orders and quality control.
- (C) Expand production lines to further increase the in-house manufacturing ratio.

2. Market Overview and Production/Sales Status:

(1) Market Analysis:

A. Major Sales Regions for Key Products

Unit: NTD thousands; %

Year Sales Region	2024		2025	
	Amount	Ratio (%)	Amount	Ratio (%)
North America	1,525,917	63.36%	1,466,153	60.01%
Europe	683,464	28.38%	733,622	30.03%
Asia/Australia/New Zealand	196,868	8.17%	237,563	9.72%
Others	2,219	0.09%	5,831	0.24%
Total	2,408,468	100.00%	2,443,169	100.00%

B. Market share

The Company's products are widely applied across various sectors. Market share is estimated based on the ratio of the Company's annual sales to the total export value of fasteners from Taiwan. According to the average export value of the Taiwanese fastener market in recent years from the Taiwan Institute of Economic Research's import and export data, the market share is approximately 1.85%.

The Company's products are widely applied across various industries, with a strong focus on complex and highly customized items, which fall under a different market segment from standard or general-purpose fasteners. According to the annual rankings published by Fastener World Magazine, one of the most recognized publications in the fastener

industry, the Company has consistently ranked among the top 20 fastener enterprises in recent years, reflecting its solid industry influence and market presence.

#### C. Future Supply and Demand Outlook and Growth Potential

**Demand Side:** Fasteners are often referred to as the "rice of industry," essential components that are indispensable across virtually all sectors. As industrial development continues to flourish, the demand for fastener products increases in tandem. In countries with higher degrees of industrialization, the demand is proportionally greater. Currently, industrially advanced regions such as the United States, the European Union, and Japan represent major consumption markets for fasteners. Additionally, with the economic growth and ongoing industrialization of countries such as China, Brazil, Southeast Asia, and India, demand for fasteners is expected to continue rising. As a result, the fastener industry still holds substantial growth potential and a broad market outlook.

**Supply Side:** Fastener production in Taiwan primarily consists of standard fasteners and non-standard products. Standard fasteners face intense competition from lower-cost producers in China and Southeast Asia. Although these regions have yet to match Taiwan in terms of product quality and consistency, Taiwanese manufacturers are accelerating their shift toward high-value, high-tech fastener production. This strategic move is expected to preserve Taiwan's competitive advantage in the global market. Taiwan is not only known for its high product quality and comprehensive industrial supply chain, but also for its advanced industrial capabilities, particularly in the machinery and tooling required for fastener manufacturing. These capabilities remain unmatched by producers in China and Southeast Asia. As such, Taiwan continues to be one of the world's leading suppliers in the global fastener market and is well positioned for continued growth. Reputed as the "Kingdom of Screws," Taiwan is recognized for its superior product quality. Within the global supply chain, there remains significant room for growth for Taiwanese manufacturers. Automotive fasteners alone account for approximately 31% of total global industrial fastener consumption. With continued annual growth projected in the automotive sector, automotive fasteners present strong development potential in the years ahead.

#### D. Competitive Niche

##### (A) Flexible Operating Model:

The Company adopts a flexible operating model by entering into vendor-managed inventory agreements with clients for high-volume products. This approach reduces sales-related costs, minimizes the frequency of transportation scheduling, and lowers the risks associated with order changes, thereby supporting stable business growth. In line with our customer-centric philosophy, the Company is also able to accommodate urgent or unforeseen client needs, such as requests for early or delayed deliveries, through close collaboration with long-standing supply partners.

(B) Capability in Process Design, Development, and Improvement:

In addition to traditional manufacturing, the Company offers expertise in mold design, new drawing development and production, customized product design, and quality inspection. With a team of skilled technical professionals, the Company provides value-added services to clients and fosters strong, long-term cooperative relationships. The Company has continuously invested in cultivating a technically proficient workforce with comprehensive knowledge in areas such as materials, manufacturing processes, surface treatment, plating and coating, strength and testing methods, PPM, PPAP, mold design, and R&D. This expertise enables ongoing process improvements, cost reduction, and increased profitability.

Moreover, the Company actively plans production for recurring long-term orders to reduce scheduling delays and improve mass production efficiency.

(C) Outsourced Vendor Management System:

Given the Company's diverse product range, production planning is based not only on in-house equipment and capacity but also on a thorough evaluation of each outsourced vendor's production capabilities, facilities, and technical expertise. Production schedules are allocated and coordinated according to each vendor's capacity and technical strengths. This approach enables effective cost control, reduces production risks, and ensures consistent product quality.

(D) Long-Term and Stable Customer Relationships:

The Company has consistently invested in the professional development of its export sales engineers, resulting in low employee turnover and high levels of customer trust. These efforts have enabled the Company to maintain long-term, stable relationships with its clients.

E. Favorable and Unfavorable Factors Affecting Future Development and Corresponding Countermeasures

(A) Favorable Factors

a. Professional Technical Team and Product Diversification

With a broad global customer base, the Company actively invests in the training and development of a professional technical team capable of meeting diverse customer requirements through customized production. The Company currently offers a wide range of product specifications, with more than 20,000 types available. Looking ahead, the Company plans to implement smart manufacturing technologies to enhance production capabilities. This will support expansion into emerging markets and promote diversified development in overseas markets, positioning the Company as a pioneer of intelligent manufacturing in Taiwan's fastener industry.

b. Rising Global Industrialization

Screws and nuts are essential fastening components used across a wide range of industries and equipment. Their applications span machinery, electronics,

transportation, household appliances, furniture, and construction, among others. These components currently have no viable substitutes in their functional role. As the degree of industrialization increases, so does the usage of fasteners. Therefore, demand for screws is expected to grow steadily in line with global industrial development.

c. Business Market Expansion

The Company primarily focuses on export markets and continues to strengthen relationships with existing international clients to enhance customer satisfaction and stability. At the same time, the Company actively seeks to acquire new customers in countries such as Japan, South Korea, and those in Southeast Asia, while closely monitoring developments in emerging markets to further expand its business footprint.

d. Flexible Operating Model and Corporate Culture

The Company has long maintained financial transparency and a culture of sharing operational achievements with employees. In response to transformation goals, the Company is increasing its in-house manufacturing ratio and profitability, encouraging greater employee participation, and preparing to meet capital needs for plant expansion. To support the development of new products and manufacturing processes, the Company is actively preparing for a public listing to raise funds. As part of this initiative, equity participation opportunities will be offered to employees and suppliers to foster shared growth and long-term collaboration.

e. In-House System Development

To address the characteristics of low-volume, high-mix production, the Company has developed a highly customized internal system to support scalable manufacturing. This enhances operational efficiency and enables effective product management.

(B) Unfavorable Factors and Corresponding Countermeasures

a. International relations are affected by geography

Due to heightened geopolitical concerns reported by the media, international end customers are increasingly seeking to diversify their procurement sources to mitigate risk. As a result, they are avoiding overconcentration of sourcing activities in Taiwan and China.

Corresponding Countermeasures:

The Company actively seeks quotations in Southeast Asia, where the pricing is competitive, to diversify procurement risks, while also negotiating with customers to leverage their facilities, machinery, and production processes. At the same time, the Company aims to enhance strong customer relationships and establish subsequent sales development opportunities.

b. Impacts of the growth of the full-electric vehicle industry

Globally, the share of fully electric vehicles is projected to increase to 30 to 40 percent by 2030, reaching approximately 20 to 30 million units. As a result, major fastener-consuming components in the automotive industry, such as engines, engine compartments, drive shafts, and exhaust systems, will experience a significant decline in usage, decreasing to only 20 to 30 percent of current levels due to structural changes in the industry. This transformation is expected to have a substantial impact on exporters primarily focused on automotive components.

Corresponding Countermeasures:

The Company responds to the future industry trends in advance, diversifies risks, and actively expands markets and customer ratios other than auto parts.

c. Manpower shortage

Taiwan's current industrial trends are facing a severe labor shortage, particularly in traditional industries. The screw industry, in particular, is currently grappling with a wave of retirements among experienced and skilled technicians, creating a predicament where the younger generation of industry workers cannot readily take over their expertise.

Corresponding Countermeasures:

(a) With AI continuing to generate widespread interest, the adoption of AI-driven management has become an inevitable trend. However, most small and medium-sized enterprises in Taiwan lack the resources to invest in automated production lines. In response to critical issues such as widespread labor shortages among suppliers, the Company has proactively provided early guidance and implemented appropriate measures to address these challenges.

(b) Going public to enhance corporate visibility and further attract outstanding talent. The Company is also improving employee benefits and implementing related employee incentive programs to retain talent.

d. Changes in Production and Sales Dynamics

With increasing transparency in production and sales information, it is becoming more common for customers to purchase directly from factories. Exporters may also bypass current clients and establish direct business relationships with assembly lines.

Corresponding Countermeasures:

In addition to enhancing service quality, the Company has increased the frequency of visits to customers and suppliers to improve product value, grow together, and enhance profitability, while strengthening relationships and loyalty with both suppliers and customers.

e. Trump's Election and Expected U.S. Protectionist Policies

With Trump's re-election, the market widely expects a continuation, or even intensification, of his previous "America First" policies. These may include stricter import tariffs, the renegotiation or withdrawal from multilateral trade agreements, and increased trade restrictions targeting specific countries such as China. Such policies are likely to escalate global trade tensions and pose significant challenges to export-oriented manufacturing industries.

Corresponding Countermeasures:

Under this circumstance, the Company will closely monitor U.S. policy developments and their potential impact on the global supply chain. The Company will also assess the need to adjust market deployment in advance and diversify export market risks in order to enhance overall operational flexibility and adaptability in international trade.

f. Q.E., Interest Rate Hikes, and Exchange Rate Fluctuations

Exchange rate fluctuations have been affected by the Russia–Ukraine war, the post-pandemic environment, changes across major industries, and interest rate hikes.

Corresponding Countermeasures:

The Company continuously monitors relevant information to adjust its business direction, including foreign exchange and capital management.

g. Environmental protection policies in western countries, and levying carbon border tax

Since the early 21st century, the European Union has introduced a series of environmental policies, such as REACH, WEEE, RoHS, and EuP, that not only strengthen environmental protection within the EU, but also act as trade barriers externally. Companies wishing to export products to EU member states must comply with the relevant environmental directives and regulations. At the end of 2022, the European Council and the European Parliament reached a provisional agreement to establish the Carbon Border Adjustment Mechanism (CBAM). The mechanism is scheduled for a trial phase starting in October 2023. It is expected to be officially implemented by the end of 2026, with full implementation in 2027. The CBAM primarily functions by requiring a clear declaration of the carbon content of products from exporting countries. If the carbon content exceeds the standards set by the importing country, importers will not only be required to purchase carbon credits, but may also be subject to carbon tariffs on the products. The mechanism is intended to achieve the following objectives:

- (a) Reduce carbon leakage;
- (b) Maintain the competitiveness of industries within the EU;
- (c) Encourage foreign trade partners to lower the carbon footprint of their products to meet the EU's low-carbon standards;
- (d) Increase the revenue from carbon tariffs (for imported products from energy-intensive industries such as electricity, cement, steel, aluminum, oil refining, papermaking, glass, chemicals, and fertilizer), and use the tariff revenue as a low-carbon investment in the EU.

Policy Response:

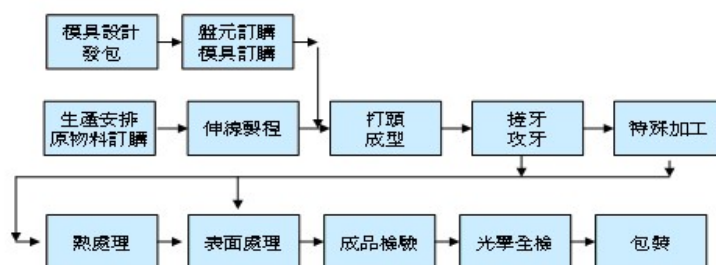
The Company will also consider negotiating and adjusting pricing with customers in order to reduce carbon emissions with the improvement of environmental equipment and the refinement of manufacturing technology.

(2) Key Applications and Production Processes of Main Products

A. Key Applications of Main Products

Main Uses of Main Products: Our Company's products are a crucial link in the automotive agricultural machinery and durable goods manufacturing industries , primarily applied in machinery automotive component manufacturing 3C electronics and construction industries etc. and automotive is the largest application industry for components.

B. Production Process:



(3) Supply Status of Main Raw Materials

Main Raw Material	Suppliers	Supply Status
Wire Rod	Company A	Good, Stable
Wire Rod	Company B	Good, Stable
Wire Rod	Company C	Good, Stable

Description: The Company's main raw materials can be sourced from multiple suppliers, with stable quality and reliable delivery schedules. The Company has established strong cooperative relationships with its suppliers and diversified its sourcing channels to ensure supply stability and reduce the risk of shortages.

(4) Customers or Suppliers Accounting for Over 10% of Total Purchases or Sales in Any of the Past Two Years, Including Names, Amounts, and Proportions, and Explanation of Changes (Unit: NT\$ Thousands):

A. Suppliers Accounting for Over 10% of Total Consolidated Purchases:

Unit: NTD thousands; %

	2024	2025

Item	Name	Amount	Share of Total Annual Net Purchases (%)	Relation with the issuer	Name	Amount	Share of Total Annual Net Purchases (%)	Relation with the issuer
1	Manufacturer D	301,397	17.01%	None	Manufacturer D	336,102	18.62%	None
2	Others	1,470,555	82.99%	None	Others	1,469,248	81.38%	None
	Net purchase amount	1,771,952	100.00%		Net purchase amount	1,805,350	100.00%	

Note 1: Due to contractual confidentiality obligations or where the vendor is an individual and not a related party, the name may be represented by a code.

Analysis of Changes: There were no material changes in the list of suppliers accounting for over 10% of the Company's or its subsidiaries' total purchases in the past two years and the most recent period.

B. Customers Accounting for Over 10% of Total Consolidated Sales:

Unit: NTD thousands; %

Item	2024				2025			
	Name	Amount	Share of Total Annual Net Purchases (%)	Relation with the issuer	Name	Amount	Share of Total Annual Net Purchases (%)	Relation with the issuer
1	Company A	286,607	11.90%	None	Company A	273,238	11.18%	None
2	Company B	249,992	10.38%	None	Company B	259,143	10.61%	None
3	Others	1,871,869	77.72%	None	Others	1,910,788	78.21%	None
	Net sale	2,408,468	100.00%		Net sale	2,443,169	100.00%	

Note 1: Due to contractual confidentiality obligations or where the customer is an individual and not a related party, the name may be represented by a code.

Analysis of Changes: There were no material changes in the list of customers accounting for over 10% of the Company's or its subsidiaries' total sales in the past two years and the most recent period.

### 3. Employee Information

Unit: Persons; Years; %

Year		2024	2025	As of March 31, 2026
Number of employees (persons)	R&D personnel	5	5	5
	Manufacturing personnel	33	43	43
	Marketing personnel	49	47	47
	Administrative personnel	22	32	33
	Total	109	127	128
Average age		39.87	41.47	41.7
Average years of service (years)		8.29	8.75	9.05
Education distribution ratio (%)	Master's degree	2.75%	2.26%	2.34%
	Junior College	82.56%	81.21%	81.26%
	Senior High School	14.69%	16.53%	16.40%

### 4. Environmental Protection Expenditure

- (1) Losses Incurred Due to Environmental Pollution in the Most Recent Year and Up to the Publication Date of This Annual Report (including compensation and violations of environmental protection regulations identified through environmental audits, specifying the date and number of the penalty, the articles of the regulations violated, the content of the violation, and the content of the penalty), and disclosure of the estimated current and future

potential amounts and corresponding measures. If a reasonable estimate cannot be made, the fact that a reasonable estimate cannot be made should be explained: None.

(2) Estimated Current and Future Potential Amounts and Corresponding Measures: None.

## 5. Labor Relations

(1) List the Company's various employee welfare measures, professional development and training programs, retirement system and its implementation status, as well as labor-management agreements and measures for safeguarding various employee rights:

### A. Various Employee Welfare Measures, Professional Development, and Training Programs

The Company values employee well-being and career development, offering a wide range of welfare measures, including regular health check-ups, employee gatherings, birthday gifts, bonuses or gift certificates for the three major festivals, domestic and international employee travel, long-service awards, subsidies for marriage, funerals, and other celebratory or bereavement events, as well as emergency assistance.

In terms of the insurance system, in addition to providing statutory insurance for employees, such as Labor Insurance and National Health Insurance, the Company also provides group accident insurance to enhance employee protection. The Company also provides free coffee and tea in the workplace to create a friendly work environment.

The Company also places great importance on occupational safety and health, as well as the development of professional knowledge, skills, and abilities. It regularly conducts fire and disaster prevention drills, provides professional education and training for employees, and arranges for professional healthcare personnel to offer regular on-site health services and health education initiatives, aiming to enhance employees' safety awareness, health management, and professional competencies.

### B. Employee Profit Sharing

The Company's business performance is the result of the collective efforts of all employees. To boost employee morale, attract and retain top talent, and encourage employees to grow with the Company, a profit-sharing mechanism has been established. The relevant measures are as follows:

(A) Three Major Festival Incentive Bonus: During the Dragon Boat Festival, Mid-Autumn Festival, and year-end periods, the Finance Department will determine the bonus based on the internal settlement of profits. If the company is profitable during these periods, or cumulatively from the beginning of the year until the respective festival dates, up to 10% of the pre-tax profits for that period may be allocated as incentive bonuses.

(B) Employee Compensation: According to the Company's Articles of Association, if the Company generates profits in a given year, at least 1% of the annual profits must be allocated as employee compensation. However, if there are accumulated losses, these must be offset before any allocation is made.

### C. Retirement System and its Implementation Status

In accordance with the Labor Pension Act, the Company contributes no less than 6% of each employee's monthly salary to their individual retirement pension account. The salary levels for employee insurance are adjusted periodically to ensure employees' retirement benefits are protected.

(A) Labor-Management Agreements and Employee Rights Protection Measures

The Company complies with relevant labor laws and regulations in Taiwan. Based on the work rules, labor contracts, and various internal management policies, the Company handles labor rights matters, clearly defining employees' rights, duties, and welfare measures to safeguard their legal entitlements.

Additionally, the Company establishes labor-management meetings at each operational site, pursuant to legal requirements, and holds regular meetings to discuss labor conditions, employee benefits, work environments, and labor-management rights and interests. These meetings facilitate negotiations and two-way communication, fostering a sound and smooth communication mechanism.

Since its establishment, the Company has maintained harmonious and stable labor-management relations and continues to promote open and transparent communication channels. To date, there have been no major labor disputes or significant losses resulting from such issues.

- (2) Losses Incurred Due to Labor Disputes in the Most Recent Year and Up to the Publication Date of This Annual Report (including violations of the Labor Standards Act identified through labor inspections, specifying the date and number of the penalty, the articles of the regulations violated, the content of the violation, and the content of the penalty), and disclosure of the estimated current and future potential amounts and corresponding measures. If a reasonable estimate cannot be made, the fact that a reasonable estimate cannot be made should be explained: None.

6. Information Security Management

- (1) Description of the Information Security Risk Management Framework, Information Security Policies, Specific Management Measures, and Resources Invested in Information Security Management:

A. Information Security Risk Management Framework:

The Company has established a comprehensive information security management framework, with the IT department overseeing all information security-related operations. A dedicated information security officer and specialized personnel are appointed to be responsible for the planning, implementation, and monitoring of information security policies.

The information security governance structure is supervised by senior management, who regularly review the implementation of information security measures and the effectiveness of risk control. This ensures that the Company's overall information security strategy aligns with operational objectives and continuously strengthens its information security capabilities.

B. Information Security Policy:

The Company has established an information security policy with the following main objectives:

- (A) Ensure the stability and security of information equipment, information systems, and network operations.
- (B) Ensure the integrity, confidentiality, and availability of company data.
- (C) Prevent the leakage of confidential information and unauthorized access.
- (D) Strengthen employees' awareness of information security and confidentiality responsibilities.

All employees are required to sign confidentiality agreements and comply with relevant

information security regulations to foster a comprehensive information security culture.

C. Specific Management Measures and Resources Invested in Information Security Management:

(A) Access and Account Management

Access permissions are assigned based on departmental functions and job levels. Any changes in access rights require formal application and approval by authorized supervisors. User accounts and passwords are strictly managed.

(B) System and Data Protection Mechanisms

Access control is enforced for IT equipment rooms. Backup servers and off-site data backups, including offline backups, are in place. Regular disaster recovery drills are conducted to ensure prompt response when needed.

(C) Network and System Protection

Regular updates of antivirus software and virus definitions are conducted, and firewall management and monitoring mechanisms are in place to enhance protection against external network risks.

(D) Information Security Education and Awareness

Regular campaigns are held to raise awareness about internet fraud, malicious emails, and phishing attacks, strengthening employees' ability to identify and respond in real-time, thereby reducing the risk of information security incidents.

(E) Information Security Monitoring and Vulnerability Management

The Company collaborates with professional information security vendors to regularly review security advisories and vulnerability reports, promptly patching system vulnerabilities and shortcomings.

(F) Information Equipment Disposal Management

Before disposal of computer equipment, hard drives are removed and physically destroyed to ensure that data on storage media cannot be recovered, preventing information leakage.

(G) Compliance with Laws and Internal Regulations

All employees must comply with relevant information security laws and regulations, continuously enhancing their understanding of information security and legal compliance awareness.

(H) Internal Audits and Continuous Improvement

The internal audit unit conducts annual reviews in accordance with relevant information security policies, assessing the implementation of the system and providing recommendations for improvement, ensuring ongoing enhancement of the information security management system.

- (2) Disclosure of any losses, potential impacts, and response measures arising from major information and cybersecurity incidents during the most recent fiscal year and up to the publication date of the Annual Report. If such losses cannot be reasonably estimated, the reason shall be stated: None.

## 7. Important Contracts

Nature of contract	Contract party	Contract Start and End Dates	Main content	Restriction clause
Construction Contract	Green Field Construction Co., Ltd.	2023.03.10 (Note)	Plant construction	2025.06.26 - Obtained building ownership certificate Construction completed
Land Sale and Purchase Agreement	Tainan City Government	2020.10.13 – 2025.10.01	Sinji Industrial Park Land	2025.09.23 - Obtained factory registration certificate 2025.12.18 - Obtained land ownership certificate
Construction Contract	Green Field Construction Co., Ltd.	2023.03.10 - Approval Date by the Competent Authority	Plant construction	2025.06.26 - Obtained building ownership certificate Construction completed
Lease contract	Taipei Fubon Commercial Bank Co., Ltd.	2021.12.13-2027.12.12	Lease of the 3rd Floor at No. 358, Section 1, Dongmen Road	None
Bank financing contract	Taipei Fubon Commercial Bank Co., Ltd.	2020.11.30 – 2034.5.24	Long-term borrowings	None
Bank financing contract	Taipei Fubon Commercial Bank Co., Ltd.	2021.5.24 – 2026.5.24	Long-term borrowings	None
Bank financing contract	Mega International Commercial Bank	2021.5.31 – 2028.5.31	Long-term borrowings	None

Note: In accordance with the construction contract terms, the contract completion date is calculated based on the date of approval.

## Five. Analysis of Financial Condition, Financial Performance, and Risk Factors

### 1. Financial Condition

Explanation of major changes in the Company's assets, liabilities, and equity over the past two fiscal years, their impact, and future response plans.

#### (1) Financial Condition – IFRS (Consolidated)

Unit: NTD thousands; %

Accounting item \ Year	2024	2025	Changes	
	Amount	Amount	Amount	%
Total current assets	1,193,590	1,323,904	130,314	10.92
Total non-current assets	755,399	756,306	907	0.12
Total assets	1,948,989	2,080,210	131,221	6.73
Total current liabilities	441,078	436,262	(4,816)	(1.09)
Total non-current liabilities	190,998	93,503	(97,495)	(51.05)
Total liabilities	632,076	529,765	(102,311)	(16.19)
Common stock capital	408,965	463,565	54,600	13.35
Capital surplus	208,418	419,152	210,734	101.11
Legal reserve	111,140	135,991	24,851	22.36
Special reserve	93	0	(93)	(100.00)
Undistributed earnings	587,393	569,294	(18,099)	(3.08)
Total retained earnings	698,626	705,285	6,659	0.95
Exchange differences on translation of financial statements of foreign operations	904	1,246	342	37.83
Non-controlling interests	0	0	0	0
Treasury stock		(38,803)	(38,803)	
Total equity	1,316,913	1,550,445	233,532	17.73
Total liabilities and equity	1,948,989	2,080,210	131,221	6.73

Explanation of Analysis of Changes in Percentage and Amount: (Changes exceeding 20% and an amount of NT\$10,000 thousand or more)

Regarding significant changes in various financial conditions in 2025, explanations are provided below:

- A. Decrease in Non-current Liabilities: This is primarily due to the repayment of long-term bank borrowings.
- B. Increase in Capital Surplus: This is primarily due to share premium arising from cash capital increases.
- C. Legal Reserve: This is primarily due to the increase in net profit in 2025, leading to a corresponding increase in the appropriation of the legal reserve.
- D. Decrease in Treasury Shares: This is primarily due to the implementation of treasury stock transactions.

## 2. Financial Performance

Explanation of significant changes in operating revenue, operating profit, and profit before tax over the past two fiscal years, including the main reasons, projected sales volumes and their basis, the potential impact on the Company's future financial and business performance, and corresponding response plans.

### (1) Analysis of Operating Results – IFRS (Consolidated)

Unit: NTD thousands; %

Accounting item	Year	2024	2025	Changes	
		Amount	Amount	Amount	%
Operating revenue		2,408,468	2,443,169	34,701	1.44
Operating cost		1,923,742	2,016,050	92,308	4.80
Gross operating profit		484,726	427,119	(57,607)	(11.88)
Marketing expenses		157,876	142,334	(15,542)	(9.84)
Administrative expenses		82,139	80,515	(1,624)	(1.98)
R&D expenses		11,547	10,483	(1,064)	(9.21)
Expected credit impairment gain (loss)		3,355	(6,425)	(9,780)	(291.51)
Total operating expenses		254,917	226,907	(28,010)	(10.99)
Operating profit		229,809	200,212	(29,597)	(12.88)
Other income		30,871	14,147	(16,724)	(54.17)
Other gains and losses		51,935	719	(51,216)	(98.62)
Financial cost		(3,679)	(1,715)	1,964	(53.38)
Total non-operating income and expenses		79,127	13,151	(65,976)	(83.38)
Net profit before tax		308,936	213,363	(95,573)	(30.94)
Income tax expense		60,417	44,455	(15,962)	(26.42)
Net income for the period		248,519	168,908	(79,611)	(32.03)

**Explanation of Analysis of Changes in Percentage and Amount: (Changes exceeding 20% and an amount of NT\$10,000 thousand or more)**

- A. Decrease in Other Income: This is primarily due to a decline in interest income and compensation received from vendors and customers.
- B. Decrease in Other Gains and Losses: This is primarily due to the appreciation of the New Taiwan Dollar since April, resulting in increased foreign exchange losses.
- C. Decrease in Total Non-operating Income and Expenses: This is primarily due to the appreciation of the New Taiwan Dollar since April, resulting in increased foreign exchange losses.
- D. Decrease in Net Profit Before Tax: This is primarily due to the appreciation of the New Taiwan Dollar since April, resulting in increased foreign exchange losses.
- E. Decrease in Net Income for the Period: This is primarily due to the appreciation of the New Taiwan Dollar since April, resulting in increased foreign exchange losses.

- (2) Projected Sales Volume and Basis, Potential Impact on the Company's Future Financial and Business Performance, and Response Plans: The Company has not prepared financial forecasts and, as there are no significant irregularities, no response plan has been formulated.

### 3. Cash flow

#### (1) Analysis of Cash Flow Changes in the Most Recent Year

Unit: NTD thousands

Item	Year	2024	2025	Changes
		Amount	Amount	Amount
Operating activities		186,246	166,681	(19,565)
Investing activities		209,368	(147,185)	(356,553)
Financing activities		(313,507)	(28,445)	285,062
Effect of exchange rate changes on cash and cash equivalents		984	346	(638)
Net cash (outflow) inflow		83,091	(8,603)	(91,694)

#### Analysis of Cash Flow Changes:

- A. Operating Activities: This is primarily due to a decrease in inventories and other payables, resulting in a decline in net cash inflows from operating activities in 2025.
- B. Investing Activities: This is primarily due to an increase in bank time deposits and investments in financial instruments, resulting in a decline in net cash inflows from investing activities.
- C. Financing Activities: This is primarily due to a decrease in bank borrowings and the repurchase of treasury stock, resulting in a decline in net cash inflows from financing activities.

(2) Improvement Plan for Insufficient Liquidity: The Company does not have a cash shortage and there is no concern of insufficient liquidity.

(3) Liquidity Analysis for the Coming Year

Unit: NTD thousands

Beginning Cash Balance (1)	Estimated Net Cash Flow from Operating Activities for the Year (2)	Estimated Net Cash Flow from Investing Activities for the Year (3)	Estimated Net Cash Flow from Financing Activities for the Year (4)	Estimated Cash Surplus (Shortfall) (5)=(1)+(2)+(3)+(4)	Remediation measures against expected cash flow deficit	
					Investment Plan	Financial Plan
488,267	206,853	(160,805)	15,631	549,946	—	—

#### (A) Analysis of Cash Flow Changes for the Coming Year

- a. Operating activities: As the scale of the Company will continue to grow, it is expected that the operating revenue and profit will increase at the same time, resulting in a net cash inflow.
- b. Investing Activities: This is primarily due to the purchase of machinery and equipment, resulting in a net cash outflow.
- c. Financing Activities: This is primarily due to funding arrangements made in consideration of working capital requirements and the purchase of machinery and equipment, resulting in a slight increase in net cash inflows.

(B) Contingency Measures for Expected Cash Shortfalls and Liquidity Analysis: The Company has not faced any risk of cash flow shortfalls in the most recent year.

4. Impact of Major Capital Expenditures in the Most Recent Year on Financial and Business Operations

(1) Utilization and Funding of Major Capital Expenditures:

The Company's major capital expenditures in 2025 were due to the mid- and long-term financing from banks for future operations for the purchase of office equipment and machinery and equipment, etc. The total amount was NT\$297,620 thousand.

(2) Expected Benefits:

These investments are expected to contribute positively to the Company's revenue and profitability. The related funding was provided through a combination of internal funds and bank financing.

5. Investment Policy in the Most Recent Year, Reasons for Profit or Loss, Improvement Plans, and Investment Plans for the Coming Year:

(1) Investment Policy:

The Company's investment policy is based on supporting the development needs of its core business and pursuing long-term strategic investments, rather than short-term financial gains. All investment activities are carried out in accordance with internal control procedures, including the "Investment Cycle" and the "Procedures for Acquisition or Disposal of Assets." Investment plans are carefully evaluated in light of changes and challenges in the business environment to ensure stable overall operations and to enhance investment returns, thereby increasing shareholder equity.

(2) Main Reasons for Investment Gains or Losses in the Most Recent Year and Improvement Plans:

Unit: NT\$ thousands; USD\$ thousands

Name of Investee	Original investment amount	Investment profit (loss) recognized in 2025	Main Reason for Profit or Loss	Improvement plan
BCR INC.	63,188	22,927	Stable revenue.	None
Suzhou Youlian Trading Co., LTD.	17,165 USD 547	5,526	Stable revenue.	None

6. Risk Factor Analysis and Assessment:

(1) Impact of Interest Rate, Exchange Rate, and Inflation Fluctuations on the Company's Profit and Loss, and Future Response Measures:

A. Impact of Interest Rate Fluctuations

In 2024 and 2025, the Company and its subsidiaries recorded interest income of NT\$19,142 thousand and NT\$9,674 thousand, accounting for 0.79% and 0.4% of net operating revenue, respectively. Interest expenses were NT\$3,679 thousand and NT\$1,715 thousand, accounting for 0.15% and 0.07% of net operating revenue, respectively. Overall, the ratios of interest income and interest expenses to net operating revenue in 2024 and 2025 were relatively low. Therefore, changes in market interest rates did not have a significant impact on the Company's financial or business condition.

B. Impact of Exchange Rate Fluctuations

In 2024 and 2025, the Company and its subsidiaries recorded foreign exchange gains (losses) of NT\$47,577 thousand and NT\$1,340 thousand, representing approximately 1.98% and 0.05% of the Company's net operating revenue, respectively. Therefore, exchange rate fluctuations did not have a material impact

on the Company's operations. The foreign exchange gains (losses) in 2024 and 2025 were primarily due to fluctuations in the value of the U.S. dollar.

C. Inflation

The Company adjusts its product pricing flexibly based on changes in raw material market prices. Therefore, inflation has not had a significant impact on the Company's operations. The Company also closely monitors market price fluctuations and maintains strong relationships with both suppliers and customers. This allows timely responses to changes in upstream raw material costs and enables the Company to adjust selling prices accordingly, thereby reducing the risk of inflation-induced cost impacts on profitability.

(2) Policies, Profit or Loss Drivers, and Future Response Measures Regarding High-Risk, High-Leverage Investments, Loans to Others, Endorsements and Guarantees, and Derivatives Trading:

The Company remains focused on its core business operations. As of the publication date of this Annual Report, the Company has not engaged in any high-risk or high-leverage investments, loans to others, endorsements or guarantees, or derivative transactions. Therefore, no material risk has been incurred in relation to such activities. In the event that future business development or hedging needs give rise to requirements for endorsements and guarantees, lending of funds to others, or transactions involving derivative financial instruments, the Company will act in accordance with its established internal procedures, including the "Procedures for Acquisition or Disposal of Assets" (which include the assessment and operating procedures for derivative transactions), the "Operational Procedures for Loaning Funds to Others," and the "Operational Procedures for Endorsements/Guarantees," as the basis for compliance in undertaking such activities.

(3) Future R&D Plans and Estimated R&D Expenditures:

In addition to facing numerous domestic competitors, the Company is also confronted with aggressive low-price competition from manufacturers in mainland China, which has impacted product pricing and gross margins. Going forward, in addition to developing automotive components and fasteners for a wider range of applications, the Company's R&D efforts will focus on high-technical barrier products with the aim of enhancing profitability through the introduction of new products.

- A. Design patented screws to reduce manufacturing costs and increase market share and profitability.
- B. Continue the development of multifunctional screws.
- C. Integrate smart technologies and promote Industry 4.0 initiatives. Building a smart factory will enhance production efficiency in response to diverse and rapidly changing product specifications demanded by current customers. The ratio of R&D expenditures to net operating revenue for 2024 and 2025 remained relatively stable, ranging approximately between 0.48% and 0.43%. Looking ahead, the Company will continue to focus on enhancing production technologies, optimizing equipment, improving product yield, and increasing production efficiency. Related R&D expenditures will be recognized based on the actual level of future development activities.

- (4) Impact of Major Domestic and International Policy and Legal Changes on the Company's Financial and Business Operations, and Corresponding Response Measures:

The Company and its subsidiaries conduct daily operations in compliance with applicable domestic and international laws and regulations. Relevant departments closely monitor significant policy and legal developments and make timely adjustments to internal systems and business activities to ensure smooth operations. As of the most recent year and up to the publication date of this Annual Report, there have been no material impacts on the Company's financial or business operations resulting from major domestic or international policy or legal changes.

- (5) Impact of Technological Changes (Including Information Security Risks) and Industry Developments on the Company's Financial and Business Operations, and Corresponding Response Measures:

The Company continuously monitors technological advancements and developments relevant to its industry and responds swiftly to market information. Looking ahead, the Company will actively expand into related application markets. As of the most recent year and up to the publication date of this Annual Report, technological changes and industry developments have not had a material impact on the Company's financial or business operations.

- (6) Impact of Corporate Image Changes on Corporate Crisis Management and Corresponding Response Measures:

Since its establishment, the Company has actively strengthened its internal management and continuously enhanced various managerial capabilities. Internally, the Company upholds a people-oriented management philosophy by providing a challenging and supportive learning environment to help employees realize their potential and foster overall organizational growth, thereby attracting top talent. Externally, the Company maintains strong partnership-based relationships with suppliers and customers, while also fulfilling its corporate social responsibility to society. The Company also adheres to its quality policy of technological innovation, product stability, operational efficiency, and customer satisfaction, continuously encouraging internal accountability and execution. As a result, in the most recent year and up to the publication date of this Annual Report, there have been no changes in corporate image that have led to crisis management situations.

- (7) Expected Benefits, Potential Risks, and Response Measures for Mergers and Acquisitions:  
The Company currently has no plans for mergers or acquisitions.

- (8) Expected Benefits, Potential Risks, and Response Measures for Plant Expansion:

Due to continued growth in customer order demand, the Company, following a comprehensive evaluation, purchased 4,056 pings of land in the Sinji Industrial Park from the Tainan City Government in June 2020, with plans to establish a second manufacturing site for screw production. The Company is pursuing plant and capacity expansion in a phased manner, aligned with its financial capability and under minimal risk. This approach supports both stable corporate growth and the ability to meet customer capacity requirements, contributing positively to the Company's operations and

financial performance.

(9) Risks and Response Measures Related to Concentration of Procurement or Sales:

A. Procurement

The Company has maintained long-term, stable, and mutually supportive relationships with its suppliers. In the event that a supplier is unable to provide a stable supply or meet delivery schedules, the Company will seek alternative vendors or suitable substitute materials. As such, in the past three years and the most recent period, the Company has not experienced any significant supply shortages or disruptions. In the most recent year, no single supplier accounted for more than 20% of the Company's total procurement, indicating that the Company's sources of supply remain well-diversified and are not subject to procurement concentration risk. The Company continues to maintain sound and stable cooperative relationships with its suppliers to ensure a steady supply of key raw materials. In addition, it maintains an appropriate level of inventory to mitigate the risk of supply shortages or disruptions.

B. Sales

The Company's sales are primarily export-oriented, with the Americas being the main market, followed by Europe. In the most recent fiscal year, no single customer accounted for more than 20% of the Company's total sales, indicating that the Company's customer base remains well-diversified and is not subject to sales concentration risk. The Company continues to actively develop new products and customers, which is expected to gradually reduce its reliance on any single customer.

(10) Impact, Risks, and Response Measures Related to Major Transfers or Changes in Shareholdings by Directors, Supervisors, or Major Shareholders Holding More Than 10%:

For the most recent year and up to the publication date of this Annual Report, the transfers of the Company's shares by directors, supervisors, and major shareholders holding more than 10% of the shares has primarily been for personal financial planning purposes and to comply with share distribution requirements for the Company's planned TPEX listing. Such transfers are not expected to have any material impact or pose significant risks to the Company.

(11) Impact, Risks, and Response Measures Related to Changes in Management Control:

During the most recent fiscal year and up to the publication date of this Annual Report, there have been no changes in the Company's management control.

(12) Litigation and Non-Litigation Matters:

A. Any litigation, non-litigation, or administrative proceedings that have been concluded by final judgment or are still pending during the past two years and up to the publication date of this Annual Report, and which may materially affect shareholders' equity or the market price of the Company's securities, including the underlying facts, claim amount, commencement date, principal parties involved, and current status: None.

B. Any litigation, non-litigation, or administrative proceedings involving the Company's directors, supervisors, president, de facto responsible persons, major shareholders holding more than 10% of shares, or subsidiaries during the past two fiscal years and up

to the publication date of this Annual Report, the outcome of which may materially affect shareholders' equity or the market price of the Company's securities: None.

- C. Any violation of Article 157 of the Securities and Exchange Act by directors, supervisors, managerial officers, or major shareholders holding more than 10% of shares during the past two years and up to the publication date of this Annual Report, and the current status of such cases: None.
- D. If the Company's directors, supervisors, managerial officers and major shareholders holding more than 10% of the shares have encountered financial difficulties or loss of credit in the last two years and up to the publication date of this Annual Report, their responses shall be stated Impact on the Company's financial position: No such situation.

(13) Other material risks and response measures: None.

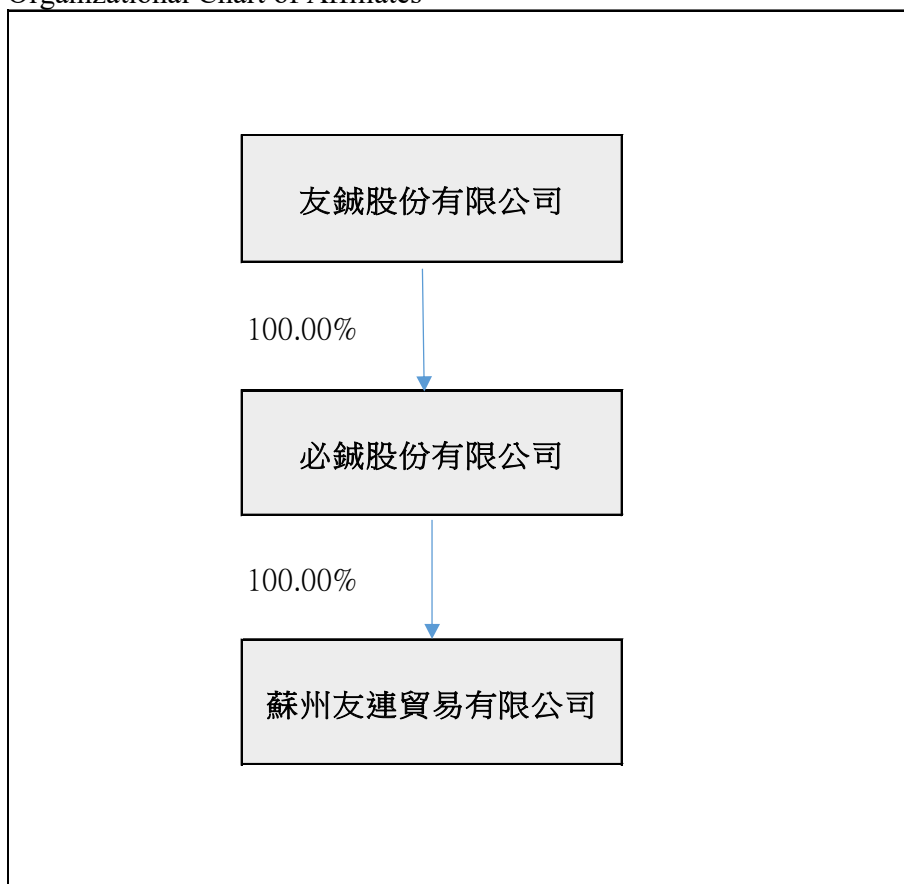
7. Other significant matters: None.

## Six. Special Notes

### 1. Affiliate Information:

#### (1) Consolidated Business Report of Affiliates

##### A. Organizational Chart of Affiliates



##### B. Basic Information of Each Affiliate

Unit: NT\$ thousand

Enterprise name	Date of Establishment	Country	Paid-up capital	Main Business or Production Activities
BCR INC.	2000.11.17	Taiwan	30,000	Wholesale of metalware and international trading
Suzhou Youlian Trading Co., LTD.	2012.08.23	China	USD 250	Wholesale of fasteners and spare parts/accessories

C. Information on common shareholders presumed to indicate control or subordinate relationships: None.

D. Industries covered by the overall operations of the affiliates:  
SPEC Products and its affiliates are primarily engaged in the manufacturing and trading of automotive, construction, and machinery components, as well as screws.

E. Information on Directors, Supervisors, and President of Affiliates

Enterprise name	Title	Name or representative	Shareholding	
			Number of shares (thousand shares)	Shareholding ratio %
BCR INC.	Director	SPEC Products Corp. (Representatives: Chang, Hung-Chen; Lin, Chi-Sheng; Chang, Tung-Ching)	3,000	100%
	President	Lin, Chi-Sheng		
Suzhou Youlian Trading Co., LTD.	Director	BCR INC. (Representative: Chang, Tse- Hao)		100%
	Supervisor	BCR INC. (Representative: Chang, Tse- Hsi)		
	President	Chang, Tse-Hao		

F. Overview of Affiliate Operations

December 31, 2025; Unit: NT\$ thousands

Enterprise name	Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit	Net Profit for the Period (After Tax)	Earnings per share (NT\$) (After Tax)
BCR INC.	30,000	127,696	31,882	95,814	199,845	22,583	26,043	8.68
Suzhou Youlian Trading Co., LTD.	7,087	45,881	8,405	37,476	62,931	6,764	5,526	-

(2) Consolidated Business Report and Consolidated Financial Statements of Affiliates: For 2025 (January 1 to December 31), the companies required to be included in the preparation of consolidated financial statements 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 under IFRS 10 for parent-subsidary consolidated financial statements. Since the information required to be disclosed in the consolidated financial statements of affiliates is already included in the aforementioned parent-subsidary consolidated financial statements, separate consolidated financial statements for affiliates have not been prepared.

(3) Affiliation Report: Not applicable.

2. Private Placement of Securities in the Most Recent Year and Up to the Publication Date of this Annual Report: None.
3. Subsidiaries' Holdings and Disposals of the Company's Shares in the Most Recent Year and Up to the Publication Date of this Annual Report: None.
4. Other Necessary Supplementary Information: None.

**SPEC Products Corp.**

**Chairperson: Chang, Hung-Chen**