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運錩鋼鐵股份有限公司

YUEN CHANG STAINLESS STEEL CO., LTD.

2025
Annual Report

The Company's Official Website: http://www.yuenchang.com.tw

MOPS at: http://mopsov.twse.com.tw

Printed on April 30, 2026

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Deputy Spokesperson: Chang Yun-Ching

Title: Special Assistant to the Chairman

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II. Address and telephone number of the Company's head office, branches, and factories:

Head Office Address: 13F.-1, No. 235, Zhongzheng 4th Rd., Qianjin Dist., Kaohsiung City

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III. Name, Address, Website, and Tel. No. of Shareholders Service Agency:

Name: Taishin Securities Co., Ltd, Shareholders Service Agency Dept.

Address: B1, No. 96, Section 1, Jianguo North Road, Taipei City

Tel: (02)2504-8125

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IV. Name, Firm Name, Address, Website, and Tel. No. of External Auditor Certifying the Latest Financial Statements:

Name of CPA: Hsu Kai-Ning, CPA and Chang Tzu-Yuan, CPA

CPA Firm: Deloitte Taiwan

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

Tel: (07)530-1888

Website: http://www.doloitte.com.tw

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None

VI. The Company's Official Website: http://www.yuenchang.com.tw

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One. Letter to Shareholders

I. 2025 Business Report

2025 Business Report

For the steel industry, 2025 remained a challenging year. The Company actively adjusted its sales strategy, shifting toward thinner and lighter products and focusing on higher-margin electronics-related industries. As a result, although revenue for 2025 decreased by approximately 6% compared with the previous year, the net profit margin still improved. The 2025 business performance is reported as follows:

(I) Implementation results of the business plan

Unit: NTD thousand

Item	Performance in 2024	Performance in 2025	Comparison of performance	Growth rate
Operating revenue, net	10,714,847	10,093,068	-621,779	-5.80%

(II) Budget execution

Unit: NTD thousand

Item	2025 Budget	2025 Actual	Achievement rate
Operating Revenue	12,300,333	10,093,068	82.06%
Sale volume (MT)	165,653	136,103	82.16%

(III) Profitability analysis

Year	2024	2025
Gross profit margin	9.66%	9.36%
Net profit margin	2.10%	2.67%

(IV) Revenue and expenditure

Unit: NTD thousand

Item	2024	2025	Change in Amount	Note
Net cash inflow (outflow) from operating activities	(63,385)	1,321,964	1,385,349	1
Net cash inflow (outflow) from investing activities	(141,435)	(871,943)	(730,508)	2
Cash inflow (outflow) from financing activities	46,103	(450,501)	(496,604)	3

Note 1: The increase in net cash inflow from operating activities was primarily a result of inventory reduction.

Note 2: Investment in equipment increased by NT$393,274 thousand compared with the prior year, and pledged deposits increased by NT$365,394 thousand during the current period; accordingly, cash outflow from investing activities increased compared with the prior year.

Note 3: Bank borrowings decreased during the current period; accordingly, net cash outflow from financing activities increased.

(V) R&D

The Company has assigned the unit dedicated to improving and developing the product processing technology. In order to satisfy customers' special needs, the Company has researched and developed the functional stainless steel plates intended for various uses, and held mature production experience and manufacturing technology, which upgrade the Company's independent innovation capabilities and comprehensive competitiveness thoroughly. For the time being, the Company's products are extensively applied to computers, communications, and consumer electronics, automobile industry, eco-friendly energy, household appliances, button cell batteries and construction projects. Considering that the Company owns ultra-thin precision stainless steel production technique, it will continue to optimize its product portfolio and develop high value-added products, and also keep improving its applications to car trims, electronics and energy and eco-friendly batteries.

Thank you for your kindness and support in the past. Looking forward to the coming year, the Company will continue to develop and create more competitive products, reduce the production cost, provide customers with more competitive price, help customers secure opportunities in the market, and pursue common prosperity for customers, shareholders, employees and suppliers, in order to create a future full of remarkable results!

Chairman: Yen Te-Ho General Manager: Yen Te-Ho Accounting Manager: Chu Pei-Chen

II. Summary of 2026 Business Report

(I) Business policy

1. Develop new markets and products proactively, disperse the risk over concentrated sales and improve the profitability.
2. Improve production efficiency and quality, and cut operating costs.
3. Enhance the internal control system and implement corporate governance.
4. Promote ethical management and perform social responsibility.

(II) Sales volume forecast and the basis thereof

The Company's sales volume in 2025 was approximately 136,103 metric tons. Based on industry conditions, market supply and demand, and considering its production capacity and business development, the Company plans to appropriately adjust its product mix and has set a target sales volume of 147,038 metric tons for 2026.

(III) Important production & sale policy

1. For the production policy: Continue to enhance operating efficiency and improve production process and quality, and plan high-performance and high-profit product portfolio.
2. For the sale policy: Maintain the fair relationship with existing customers, develop new sales territories, develop new customers and products, strengthen product segments and increase the added value of products.

III. The Company's future development strategy and impact posed by changes in external environment

For the outlook of Taiwan's stainless steel industry in 2026, as global inflationary pressures ease, the World Steel Association projects that global steel demand will bottom out and show a moderate recovery. On the positive side, the Federal Reserve is inclined to maintain its interest rate policy, thereby supporting market liquidity and driving a rebound in infrastructure investment and durable-goods consumption, such as automobiles and home appliances. At the same time, the Chinese government has strengthened steel export management policies, including export licensing systems, shifting from volume-based to quality-based controls. In addition, changes in Indonesia's nickel ore export policies are expected to help limit the outflow of low-priced steel products, thereby easing supply-demand imbalances in the Asian market. Furthermore, growth in the high-end smartphone, AI server, and robotics industries is driving demand for high-grade stainless steel materials, creating high-value-added development opportunities for Taiwan's steel manufacturers with advanced technological capabilities.

However, 2026 is also expected to be a challenging year. The Carbon Border Adjustment Mechanism (CBAM) will conclude its transition period and formally enter the phase of carbon cost determination and compliance requirements. For Taiwan's export-oriented stainless steel industry, carbon costs will directly translate into operational pressure, accelerating industry consolidation and the shift toward greener, more competitive players. On the trade front, the U.S. government's reinstatement of "reciprocal tariffs" and "melt-and-pour" origin certification policies is compelling Taiwanese manufacturers to accelerate supply chain relocation and shift toward regionalized production to mitigate risks of trade sanctions.

Overall, the steel industry outlook for 2026 is expected to bottom out and rebound. Taiwan's stainless steel industry is likely to maintain steady upward momentum amid market fluctuations and enter a new cycle of high-quality growth.

In recent years, trends such as net-zero emissions, carbon taxation, and ESG have increasingly influenced industrial development and prompted adjustments in product portfolios. Steel-consuming industries will inevitably align with global decarbonization trends by calculating product carbon footprints, and costs related to carbon neutrality are expected to

gradually become a component of steel pricing. Accordingly, the Company will closely monitor relevant policies, regulations, and implementation timelines, and proactively adjust its products and manufacturing processes to capture new business opportunities arising from energy-saving and carbon reduction trends. Looking ahead, the Company will continue to stay aligned with evolving market trends by closely monitoring raw material price fluctuations, integrating internal and external resources, enhancing product quality and services, actively expanding into diverse markets, developing a broader portfolio of high value-added products, and increasing the proportion of premium products. At the same time, the Company will remain attentive to global market dynamics in order to respond swiftly to changes in the external environment, thereby creating sustainable long-term profitability and competitiveness, and fostering shared value for both the Company and society.

Two. Corporate Governance Report

I. Background Information About Directors, General Manager, Vice General Manager, Associate General Manager, and the Heads of Various Departments and Branches

(I) Information about directors

March 29, 2026; Unit: shares, %

Job Title (Note 1)	Nationality or place of registration	Name	Gender Age	Date of (elected to) office:	Term of office	Date first elected (Note 2)	Shares held at the time of elected to office		Current Shares		Shares held by spouse and underage children		Shares held in the name of a third party		Main career (academic) achievements (Note 3)	Current positions in the Company and other companies	Spouse or Relatives Within the Second Degree of Kinship Acting as a Director, Supervisor, or Other Managerial Officer			Remark
							Shares	Shareholding	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding			Job Title	Name	Affiliation	
Chairman	Republic of China	Yen Te-Ho	Male 68 years old	June 9, 2023	3 years	August 12, 1992	7,215,568	4.34%	6,315,568	3.80%	5,155,200	3.10%	-	-	EMBA (Master's), National Sun Yat-sen University	President of the Company Director and also General Manager, QIYI PRECISION METALS CO., LTD. Director and also General Manager, Surewin Global Limited (HK) Ningbo Qiyi Precision Metals Co., Ltd. Chairman Director, Krystal Holding Ltd.	Director Vice General Manager Vice General Manager Representative of Director	Yen The-Wei Yeh Mei-Yun Yen Po-Chien Chang Yun-Ching	Siblings Couple Father and son Father-in-law and daughter-in-law	(Note 4)
Director	Republic of China	Yen The-Wei	Male 65 years old	June 9, 2023	3 years	July 2, 1999	2,300,482	1.38%	1,222,482	0.73%	1,160,894	0.70%	-	-	MBA (Master's), University of Missouri, USA Professor, Department of Business Management, National Taiwan University General Manager, Yuen Chang Stainless Steel Co., Ltd. Sales Manager, Wholesale Banking Business Unit, American Express Bank Specialist, Import & Export Dept., Citibank Taiwan	Vice Chairman of the Company Chairman of Board, Pei Li Investment Co., Ltd.	Chairman Vice General Manager	Yen Te-Ho Yeh Mei-Yun	Siblings Relatives by marriage	
Director	Republic of China	Yuji Investment Co., Ltd.	-	June 9, 2023	3 years	June 23, 2020	37,731,750	22.68%	37,731,750	22.68%	Not applicable	Not applicable	-	-	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
	Republic of China	Representative: Chang Yun-Ching	Female 43 years old	June 9, 2023 Date onboard	3 years	June 9, 2023 Date onboard	-	-	1,125,530	0.68%	3,840,334	2.31%	-	-	MBA (Master's), Purdue University, USA Department of International Business, National Taiwan University Financial Specialist, HTC Corporation Financial Specialist, Taishin International Bank	Special Assistant to the Chairman of the Company Supervisor, Ningbo Qiyi Precision Metals Co., Ltd.	Chairman Vice General Manager Vice General Manager	Yen Te-Ho Yeh Mei-Yun Yen Po-Chien	Father-in-law and daughter-in-law Mother-in-law and daughter-in-law Spouse	

Job Title (Note 1)	Nationality or place of registration	Name	Gender Age	Date of (elected to) office:	Term of office	Date first elected (Note 2)	Shares held at the time of elected to office		Current Shares		Shares held by spouse and underage children		Shares held in the name of a third party		Main career (academic) achievements (Note 3)	Current positions in the Company and other companies	Spouse or Relatives Within the Second Degree of Kinship Acting as a Director, Supervisor, or Other Managerial Officer			Remark
							Shares	Shareholding	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding			Job Title	Name	Affiliation	
Independent director	Republic of China	Pan Yung-Shan	Male 71 years old	June 9, 2023	3 years	June 23, 2020	-	-	-	-	-	-	-	-	Department of Materials Science and Engineering, NCKU Vice General Manager, TANG ENG IRON WORKS CO., LTD.	-	-	-	-	
Independent director	Republic of China	Tu Chin-Hsiang	Male 55 years old	June 9, 2023	3 years	June 9, 2023	-	-	-	-	-	-	-	-	EMBA (Master's), National Sun Yat-sen University Assistant Vice President, Kinmax Technology Inc. Sales Engineer, Acer Incorporated	Senior Assistant Vice President, Kinmax Technology Inc.	-	-	-	
Independent director	Republic of China	Chen Chih-Cheng	Male 50 years old	June 9, 2023	3 years	June 9, 2023	-	-	-	-	-	-	-	-	Department of Accounting, Feng Chia University Senior Assistant Vice President, Deloitte Taiwan Independent Director, Chang Wah Electromaterials Inc.	Practicing CPA, Zhuo Cheng CPA Firm Independent Director, Jason Co., Ltd. Independent Director, Tung Ho Textile Co., Ltd. Supervisor, Honley Auto. Parts Co., Ltd. Supervisor, Kaohsiung CPA Association	-	-	-	
Independent director	Republic of China	Liu Hsin-Hung	Male 52 years old	June 9, 2023	3 years	June 9, 2023	100,888	0.06%	133,888	0.08%	139,888	0.08%	-	-	Ph.D., Business Intelligence School, National Kaohsiung University of Science and Technology Master's degree, Department of Public Finance and Taxation, Business Intelligence School, National Kaohsiung University of Science and Technology Director, Yeou Yih Steel Co., Ltd. Supervisor, Yeou Yih Steel Co., Ltd. Adjunct Assistant Professor, National Kaohsiung University of Science and Technology	Executive Vice President, SUMI STEEL CO., LTD.	-	-	-	

Note 1: Juristic person shareholders shall be identified by the name and representative individually (in the case of a juristic person shareholder's representative, the juristic person shareholder's name shall be identified), and the following Table 1 shall be completed.

Note 2: Please also specify if the initial term of office for the Company's director or supervisor is interrupted.

Note 3: Previous work experiences relating to their current roles; if the person worked in the external auditor's firm or its affiliated company during said time period, the job title and responsibilities must be provided.

Note 4: The Company's Chairman concurrently serves as the President, in order to improve the operating efficiency and decision-making execution power. Besides, the Company's Chairman owns complete industry qualifications and is familiar with the industry market pulse, so as to enable the Board of Directors to control the Company's operations more comprehensively. Notwithstanding, the Company has proactively cultivated professional managerial officers to meet the needs for sound corporate governance. Meanwhile, in the re-election of the Board of Directors in 2023, the Company elected one additional independent director to improve the functions of the Board of Directors and strengthen the supervisory function.

1. Major Shareholders of Juristic Person Shareholders

April 30, 2026

Name of Juristic Person Shareholder	Major shareholders of juristic person shareholders
Yuji Investment Co., Ltd.	Krystal Holding Limited 93.14%, Yen Po-Chien 3.63%, Yeh Mei-Yun 1.51%; Yen Te-Ho 0.96%; Chang Yun-Ching 0.76%

Note 1: If a director or supervisor is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2: Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.

If any of the major shareholders is a corporate/juristic person, also complete Form 2 below.

2. Major shareholders of major shareholders who are juristic persons in said Table

April 30, 2026

Name of Juristic Person	Major shareholders of the Juristic Person
Krystal Holding Limited	Yen Te-Ho 45.36%, Yeh Mei-Yun 45.36%, Yen Po-Chien 9.28%

Note 1: If any major shareholder in Form 1 above is a corporate/juristic person, fill in the name of that corporate/juristic person.

Note 2: Fill in the names of the corporate/juristic person's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.

3. Information disclosure of director's professional qualifications and independence of the independent directors

Conditions / Name	Professional qualifications and experience	Independence status	Number of companies to which also serving as independent directors
Yen Te-Ho	Academic background: EMBA (Master's), National Sun Yat-sen University Work experience: President of the Company Director and also General Manager, QIYI PRECISION METALS CO., LTD. Director and also General Manager, Surewin Global Limited (HK) Chairman of Board, Ningbo Qiyi Precision Metals Co., Ltd. Director, Krystal Holding Ltd. Professional qualification: Please refer to (Note 1). Does not meet any of the conditions stated in Article 30 of the Company Act.	Not applicable	None
Yen The-Wei	Academic background: MBA (Master's), University of Missouri, USA Work experience: Sales Manager, Wholesale Banking Business Unit, American Express	Not applicable	None

Conditions / Name	Professional qualifications and experience	Independence status	Number of companies to which also serving as independent directors
	Bank Specialist, Import & Export Dept., Citibank Taiwan Chairman of Board, Pei Li Investment Co., Ltd. Professional qualification: Please refer to (Note 1). Does not meet any of the conditions stated in Article 30 of the Company Act.		
Chang Yun-Ching	Academic background: MBA (Master's), Purdue University, USA Work experience: Chairman's Special Assistant, Yuen Chang Stainless Steel Co., Ltd. Supervisor, Ningbo Qiyi Precision Metals Co., Ltd. Professional qualification: Please refer to (Note 1). Does not meet any of the conditions stated in Article 30 of the Company Act.	Not applicable	None
Pan Yung-Shan	Academic Background: Department of Materials Science and Engineering, NCKU Work experience: Vice General Manager, TANG ENG IRON WORKS CO., LTD. Professional qualification: Please refer to (Note 1). Does not meet any of the conditions stated in Article 30 of the Company Act.	(1) Neither they or their spouses or relatives within the second degree of kinship serve as directors, supervisors, or employees in the Company or any of its affiliates. (2) The number and percentage of the Company's shares held in their own names or names of the spouses, relatives within the second degree of kinship (or proxy shareholder) are 0 and 0%. (3) None of them serve as directors, supervisors, or employees in any entity that has a certain relationship with the Company. (4) Amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates is NT$0.	None
Tu Chin-Hsiang	Academic background: EMBA (Master's), National Sun Yat-sen University Work experience: Senior Assistant Vice President, Kinmax Technology Inc. Professional qualification: Please refer to (Note 1). Does not meet any of the conditions stated in Article 30 of the Company Act.	(1) Neither they or their spouses or relatives within the second degree of kinship serve as directors, supervisors, or employees in the Company or any of its affiliates. (2) The number and percentage of the Company's shares held in their own names or names of the spouses, relatives within the second degree of kinship (or proxy shareholder) are 0 and 0%. (3) None of them serve as directors, supervisors, or employees in any entity that has a certain	None

Conditions / Name	Professional qualifications and experience	Independence status	Number of companies to which also serving as independent directors
		relationship with the Company. (4) Amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates is NT$0.	
Chen Chih-Cheng	Academic background: Department of Accounting, Feng Chia University Work experience: Practicing CPA, Zhuo Cheng CPA Firm Professional qualification: Please refer to (Note 1). Does not meet any of the conditions stated in Article 30 of the Company Act.	(1) Neither they or their spouses or relatives within the second degree of kinship serve as directors, supervisors, or employees in the Company or any of its affiliates. (2) The number and percentage of the Company's shares held in their own names or names of the spouses, relatives within the second degree of kinship (or proxy shareholder) are 0 and 0%. (3) None of them serve as directors, supervisors, or employees in any entity that has a certain relationship with the Company. (4) Amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates is NT$0.	2
Liu Hsin-Hung	Academic background: Ph.D., Business Intelligence School, National Kaohsiung University of Science and Technology Work experience: Executive Vice President, SUMI STEEL CO., LTD. Professional qualification: Please refer to (Note 1). Does not meet any of the conditions stated in Article 30 of the Company Act.	(1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (3) Not an individual shareholder who, together with his or her spouse, minor children, or through nominees, holds more than 1% of the Company’s total issued shares or is among the top ten shareholders. (4) Not a spouse, relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of the managerial officers referred to in Item 1 or the persons listed in Items 2 and 3. (5) Not a director, supervisor, or employee of a company having a specific relationship with the Company. (6) Amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates is NT$0.	None

4. The Board of Directors' diversity and independence:

(1) Diversity of the Board members:

The Company includes the philosophy of diversity into the “Corporate Governance Best Practice Principles” and “Procedure for Election of Directors.” The same expressly state that the election of directors shall be determined by taking diversity into consideration but directors serving as managerial officers concurrently should not be more than one-third of the whole directors. Meanwhile, it is advisable that an appropriate policy on diversity shall include, without limitation to, the two general standards, namely, basic requirements and values (gender, age, nationality and culture, etc.) and professional knowledge and skills (law, accounting, industry, finance, marketing or technology).

All members of the Board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:
(a)Ability to make operational judgments; (b)Ability to perform accounting and financial analysis; (c) Ability to conduct management administration; (d) Ability to conduct crisis management; (e) Knowledge of the industry; (f) An international market perspective; (g) Ability to lead; (h) Ability to make policy decisions.

To implement the policy of board diversity, the Company aims to increase the proportion of female directors to more than one-third in the future. Currently, there is one female director serving on the Board, representing 14% of the total board seats. Further, there are two directors with the employee ID in the Company, i.e. 29%, and four independent directors, i.e. 57%. None of the independent directors shall hold more than three consecutive terms of office. One directors attain the age of 41~50 years old, three directors the age of more than 51 years old, and three directors at the age of more than 61 years old. For the Board members’ diversified composition and professional ability, please refer to Note (1).

However, the Company has not yet achieved a minimum of one-third representation of either gender on the Board:
I. Explanation: In accordance with its Articles of Incorporation, the Company currently has seven directors. The incumbent directors were elected at the shareholders’ meeting held on June 9, 2023. There is currently one female director, which complies with applicable regulations but does not yet meet the one-third threshold.
II. Measures adopted: Prior to the next board re-election upon the expiration of the current term, the Company will seek candidate recommendations from diverse sources, including industry and academia, in order to enhance corporate governance effectiveness and implement the board diversity policy.

(2) Independence of the Board of Directors:

Among the Board members, Chairman Yen Te-Ho and Director Yen The-Wei are siblings, and Chairman Yen Te-Ho and Representative of Juristic Person Director, Chang Yun-Ching, are father-in-law and daughter-in-law. There are four independent directors. Accordingly, the Company should be held complying with Article 14-2 of the Securities and Exchange Act, requiring that there should be no less than two independent directors and the number of independent directors shall be no less than one-fifth of the whole directors. Meanwhile, more than a half of the Company's Board members do consist of persons who are neither a

spouse nor relative within the second degree of kinship of any director.

Note 1: The Board members' composition and professional ability.

Diversity core items / Name of director	Basic composition:								Industrial experience				Professional ability					
	Nationality	Gender	Serving as the Company's employees concurrently	Age				Seniority as an independent director		Manufacturing	Commercial and industrial service	Finance	Information and Communication Services	Business Management	Leadership and Decision Making	Knowledge of the industry	Accounting and finance	Marketing	Technology
				41 to 50	51 to 60	61 to 70	71 to 80	Under 3 years	3–9 years										
Chairman Yen Te-Ho	Republic of China	Male	✓			✓				✓				✓	✓	✓	✓	✓	
Director Yen The-Wei	Republic of China	Male				✓				✓		✓		✓	✓	✓	✓	✓	
Juristic Person Director Representative Chang Yun-Ching	Republic of China	Female	✓	✓						✓		✓		✓	✓	✓	✓	✓	

Diversity core items / Name of director	Basic composition:								Industrial experience				Professional ability					
	Nationality	Gender	Serving as the Company's employees concurrently	Age				Seniority as an independent director		Manufacturing	Commercial and industrial service	Finance	Information and Communication Services	Business Management	Leadership and Decision Making	Knowledge of the industry	Accounting and finance	Marketing	Technology
				41 to 50	51 to 60	61 to 70	71 to 80	Under 3 years	3–9 years										
Independent director Pan Yung-Shan	Republic of China	Male					✓		✓	✓				✓		✓		✓	
Independent director Tu Chin-Hsiang	Republic of China	Male			✓			✓					✓	✓		✓		✓	✓
Independent director Chen Chih-Cheng	Republic of China	Male			✓			✓			✓			✓	✓	✓	✓		
Independent director Liu Hsin-Hung	Republic of China	Male			✓			✓		✓				✓	✓	✓	✓	✓	

(II) Background Information About General Manager, Vice General Manager, Associate General Manager, and the Heads of Various Departments and Branches

March 29, 2026; Unit: shares, %

Job Title	Nationality	Name	Gender	Date of (elected to) office:	Shares held		Shareholding by spouse or dependents		Shares held in the name of a third party		Main career (academic) achievements	Concurrent positions in other companies	Spouse or relatives within the second degree of kinship acting as managerial officers			Remark
					Shares	Shareholding	Shares	Shareholding	Shares	Shareholding			Job Title	Name	Affiliation	
General Manager	Republic of China	Yen Te-Ho	Male	June 9, 2023	6,315,568	3.80%	5,155,200	3.10%	-	-	EMBA (Master's), National Sun Yat-sen University	Director and also General Manager, QIYI PRECISION METALS CO., LTD. Director and also General Manager, Surewin Global Limited (HK) Chairman of Board, Ningbo Qiyi Precision Metals Co., Ltd. Director, Krystal Holding Ltd.	Vice General Manager	Yeh Mei-Yun	Spouse	(Note 1)
													Vice General Manager	Yen Po-Chien	Father and son	
													Special Assistant to the Chairman	Chang Yun-Ching	Father-in-law and daughter-in-law	
Vice General Manager	Republic of China	Yeh Mei-Yun	Female	August 1, 2009	5,155,200	3.10%	6,315,568	3.80%	-	-	EMBA (Master's), National Sun Yat-sen University	Director, Ningbo Qiyi Precision Metals Co., Ltd. Supervisor, Run Yang Investment Co., Ltd. Director, Krystal Holding Ltd.	General Manager	Yen Te-Ho	Spouse	
													Vice General Manager	Yen Po-Chien	Mother and son	
													Special Assistant to the Chairman	Chang Yun-Ching	Mother-in-law and daughter-in-law	
Vice General Manager	Republic of China	Wu Huang-Yen	Male	October 1, 2008	40,548	0.02%	-	-	-	-	Department of Aeronautics and Astronautics, NCKU Graduate Institute of Mechanical Engineering, National Chung Hsing University Factory Manager, Production Dept., YIEH MAU CORP. Vice General Manager, YOW JAAN CHERN ENTERPRISE CO., LTD., Guandong Branch	None	-	-	-	
Vice General Manager	Republic of China	Huang Ying-Hsueh	Male	April 13, 2015	100,664	0.06%	-	-	-	-	Department of Business Administration, National Sun Yat-sen University Section Chief, Business Dept., YIEH UNITED STEEL CORPORATION Associate General Manager, Ningbo Qiyi Precision Metals Co., Ltd.	None	-	-	-	
Vice General Manager	Republic of China	Yen Po-Chien	Male	December 25, 2020	1,991,714	1.20%	2,974,150	1.78%	-	-	MBA (Master's), Purdue University, USA Department of Business Administration, National Chengchi University	Chairman of Board, Yuji Investment Co., Ltd. Director, Ningbo Qiyi Precision Metals Co., Ltd. Vice General Manager, Ningbo Qiyi Precision Metals Co., Ltd.	General Manager	Yen Te-Ho	Father and son	
													Vice General Manager	Yeh Mei-Yun	Mother and son	
													Special Assistant to the Chairman	Chang Yun-Ching	Spouse	
Associate General Manager, Finance and Accounting Department	Republic of China	Chu Pei-Chen	Male	November 5, 2013	200,000	0.12%	-	-	-	-	Department of Accounting, Tunghai University Graduate Institute of Business Management, National Kaohsiung University of Science and Technology Director, Audit Dept., Horwath Chien Hsing, Certified Public Accountants	None	-	-	-	
Special Assistant to the Chairman	Republic of China	Chang Yun-Ching	Female	January 1, 2023	1,125,530	0.68%	3,840,334	2.31%	-	-	MBA (Master's), Purdue University, USA Department of International Business, National Taiwan University	Supervisor, Ningbo Qiyi Precision Metals Co., Ltd.	General Manager	Yen Te-Ho	Father-in-law and daughter-in-law	
													Vice General Manager	Yeh Mei-Yun	Mother-in-law and daughter-in-law	
													Vice General Manager	Yen Po-Chien	Spouse	

Note 1: The Company's Chairman concurrently serves as the President, in order to improve the operating efficiency and decision-making execution power. Besides, the Company's Chairman owns complete industry qualifications and is familiar with the industry market pulse, so as to enable the Board of Directors to control the Company's operations more comprehensively. Notwithstanding, the Company has proactively cultivated professional managerial officers to meet the needs for sound corporate governance. Meanwhile, in the re-election of the Board of Directors in 2023, the Company elected one additional independent director to improve the functions of the Board of Directors and strengthen the supervisory function.

II. Remuneration Paid to Directors (including Independent Directors), General Manager, and Vice General Managers in the Most Recent Year

(I) Remuneration Paid to Directors, General Manager, and Vice General Managers in the Most Recent Year (2025)

1. Compensation to directors (including independent directors):

Unit: NT$ Thousand; Shares in Thousand; %

Job Title	Name (Note 1)	Remuneration to directors								Sum of A, B, C and D, and as a percentage of net income after tax		Employee compensation received by directors								Sum of A, B, C, D, E, F, and G, and as a percentage of net income after tax		Compensation from investees other than subsidiaries or from the parent company
		Remuneration (A)		Severance payment and pension (B)		Remuneration to directors (C)		Professional practice fees (D)				Salaries, bonuses and special allowances, etc. (E)		Severance payment and pension (F)		Remuneration to employees (G)						
																The Company		Companies Included in the Financial Statements				
		The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	Companies Included in the Financial Statements	
Chairman	Yen Te-Ho	4,830	4,830	-	-	605	605	29	29	5,464 2.03%	5,464 2.03%	-	-	-	-	-	-	-	-	5,463 2.03%	5,463 2.03%	None
Director	Yen The-Wei	378	378	-	-	48	48	25	25	451 0.17%	451 0.17%	-	-	-	-	-	-	-	-	451 0.17%	451 0.17%	None
Director	Chang Yun-Ching	378	378	-	-	48	48	29	29	455 0.17%	455 0.17%	1,273	1,273	-	-	75	-	75	-	1,803 0.67%	1,803 0.67%	None
Independent director	Pan Yung-Shan	378	378	-	-	48	48	28	28	455 0.17%	455 0.17%	-	-	-	-	-	-	-	-	454 0.17%	454 0.17%	None
Independent director	Tu Chin-Hsiang	378	378	-	-	48	48	28	28	455 0.17%	455 0.17%	-	-	-	-	-	-	-	-	454 0.17%	454 0.17%	None
Independent director	Chen Chih-Cheng	378	378	-	-	48	48	28	28	455 0.17%	455 0.17%	-	-	-	-	-	-	-	-	454 0.17%	454 0.17%	None
Independent director	Liu Hsin-Hung	378	378	-	-	48	48	28	28	455 0.17%	455 0.17%	-	-	-	-	-	-	-	-	454 0.17%	454 0.17%	None

Note 1: The Company re-elected directors at the shareholders' meeting on June 9, 2023, and the new directors were Tu Chin-Hsiang, Chen Chih-Cheng and Liu Hsin-Hung. The former directors were Huang Hung-Chieh, Tseng Chi-Kuo and Chen Mu-Dan. Yuji Investment Co., Ltd. changed its representative from Yen Po-Chien to Chang Yun-Ching.

1. Please explain the policy, system, standards and structure by which independent director compensation is paid, and association between the amount paid and independent directors' responsibilities, risks, and time committed:
   (1) Remuneration for independent directors is based on a fixed compensation structure, with each director receiving NT$30,000 per month. This was adjusted to NT$31,000 in July 2024 and further adjusted to NT$32,000 in July 2025; in addition, pursuant to Article 20 of the Company's Articles of Incorporation, if the Company records a profit for the year, the Board of Directors shall resolve to allocate no more than 2% as directors' remuneration, which shall be paid in cash only.
   (2) The independent directors shall attend the Board of Directors' meetings, for which the Company will pay the transportation allowance to the independent directors.
   (3) The independent directors who also serve as the members of any functional committee of the Board of Directors shall also attend the functional committee meeting. The Company will pay the attendance fees subject to the circumstances.
2. Compensation received by director for providing service (e.g. consultancy service without the title of an employee to the parent company, any company included in the financial statements, or any investee) in the most recent year, except those disclosed in said table: None.

2. Remuneration of the General Manager and Vice General Managers (remuneration of the top five highest-paid executives):

Unit: NT$ Thousand; Shares in Thousand; %

Job Title (Note 1)	Name	Salaries (A)		Severance payment and pension (B)		Bonus and special allowances (C)		Remuneration to employees (D)				Sum of A, B, C and D, and as a percentage of net income after tax (%)		Compensation from investees other than subsidiaries or from the parent company
		The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements	The Company		Companies Included in the Financial Statements		The Company	Companies Included in the Financial Statements	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Yen Te-Ho	-	-	-	-	-	-	-	-	-	-	-	-	None
Vice General Manager	Yeh Mei-Yun	2,035	2,035	-	-	349	349	137	-	137	-	2,521 0.93%	2,521 0.93%	None
Vice General Manager	Wu Huang-Yen	1,974	1,974	-	-	518	518	116	-	116	-	2,608 0.97%	2,608 0.97%	None
Vice General Manager	Huang Ying-Hsueh	1,506	1,506	-	-	260	260	102	-	102	-	1,868 0.69%	1,868 0.69%	None
Vice General Manager	Yen Po-Chien	1,181	2,348	-	-	595	694	158	-	158	-	1,934 0.72%	3,200 1.19%	None

Note 1: The Company's Board of Directors approved on June 9, 2023 that the Chairman should concurrently serve as the President. The former President was elected as the Vice Chairman by the directors.

3. Names of managerial officers receiving employee remuneration and the allocation details for the most recent year (2025):

Unit: NTD thousand

	Job Title	Name	Amount in stock	Amount in cash	Total	Total Amount in Proportion to Net Income (%)
Manager	General Manager	Yen Te-Ho	-	678	678	0.25
	Vice General Manager	Yeh Mei-Yun				
	Vice General Manager	Wu Huang-Yen				
	Vice General Manager	Huang Ying-Hsueh				
	Vice General Manager	Yen Po-Chien				
	Associate General Manager, Finance and Accounting Department	Chu Pei-Chen				
	Special Assistant to the Chairman	Chang Yun-Ching				

(II) Amount of compensation paid in the latest 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, General Manager and Vice General Manager, and their respective proportions to the net income referred to in the parent company only or individual financial statements, as well as the policies, standards, and packages by which they were paid, the procedures through which compensations were determined, and their association with business performance and future risks.

1. Analysis on the amount of compensation paid in the latest 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, General Manager and Vice General Manager, and their respective proportions to the net income referred to in the parent company only or individual financial statements:

Unit: NT$ Thousand; %

Analysis Items	2024		2025	
	The Company	Companies Included in the Financial Statements	The Company	Companies Included in the Financial Statements
Total compensation to directors	8,040	8,040	9,533	9,533
Total compensation to directors in proportion to net income	3.57%	3.57%	3.53%	3.53%
Total compensation to supervisors	-	-	-	-
Total compensation to supervisors in proportion to net	-	-	-	-

income				
Total compensation to General Manager and Vice General Manager	7,746	9,491	8,931	10,197
Total compensation to General Manager and Vice General Manager in proportion to net income	3.44%	4.21%	3.31%	3.78%

2. The Company’s policies, standards, and packages by which the compensations were paid, the procedures through which compensations were determined, and their association with business performance and future risks:

(1) For the Company's policy by which the compensation was paid to directors, according to Article 17 of the Articles of Incorporation, the Board of Directors is authorized to resolve the remuneration to all directors based on their participation in the Company’s operation and contribution value and the typical pay levels adopted by peer companies, irrelevant with profit or loss retained by the Company. According to Article 20 of the Articles of Incorporation, subject to the profit sought by the Company (i.e. the incomeg before tax less remuneration distributed to employees and directors) for any fiscal year, the Company shall allocate no more than 2% of the balance remaining after accumulated losses are paid up, if any, as the remuneration to directors.

In order to evaluate the remuneration to directors periodically, the remuneration to directors is decided subject to their engagement in the Company's operations and personal performance contribution, and paid based on the assessment conducted under the “Regulations Governing the Board of Directors’ Performance Evaluation.” The compensation to directors is proposed by Remuneration Committee and paid upon approval of the Board of Directors. Please refer to Page 21 for details on the directors’ performance evaluation items.

(2) For the Company's policy by which the compensation was paid to managerial officers, according to the Company's “Salary Management Regulations”, the salary and remuneration to managerial officers shall be evaluated and determined subject to the managerial officers’ seniority, position, responsibility, performance, and contribution to the Company, and in reference to the pay level adopted by the peer companies, personal performance, the rationality of their association with business performance and future risks. Further, according to Article 20 of the Articles of Incorporation, subject to the profit sought by the Company (i.e. The income before income tax less remuneration distributed to employees and directors) for any fiscal year, the Company shall allocate at least 2% of the balance remaining after accumulated losses are paid up, if any, as the remuneration to employees. At least 50% of the employee remuneration allocation shall be distributed to entry-level employees.

In order to ensure the close association of the managerial officers' performance with the Company's strategies and also competitive salary and remuneration, the Company adopts the "Regulations Governing the Managerial Officers' Performance Evaluation." The managerial officers' performance evaluation consists of the indicators including "leadership," "ability to train subordinates," "work performance," "ability to communicate and coordinate" and "cost consciousness." The performance evaluation is conducted each year, as the basis for the managerial officers' performance evaluation and payment of compensation. Said Regulations are subject to the resolution rendered by the Board of Directors after being reviewed by the Remuneration Committee.

III. Corporate Governance

(I) Functionality of the Board of Directors

1. Chairman Yen Te-Ho has convened a total of 8 Board of Directors' meetings in 2025. The attendance of directors is stated as follows:

Job Title	Name	Attendance in Person (or as observer)	Frequency of proxy attendance	Percentage of attendance (or as observer) (%)	Remark
Chairman	Yen Te-Ho	8	-	100%	Re-elected on June 9, 2023
Director	Yen The-Wei	7	-	87.5%	Re-elected on June 9, 2023
Director	Yuji Investment Co., Ltd. Representative: Chang Yun-Ching	8	-	100%	Re-elected on June 9, 2023
Independent director	Pan Yung-Shan	8	-	100%	Re-elected on June 9, 2023
Independent director	Tu Chin-Hsiang	8	-	100%	Newly elected on June 9, 2023
Independent director	Chen Chih-Cheng	8	-	100%	Newly elected on June 9, 2023
Independent director	Liu Hsin-Hung	8	-	100%	Newly elected on June 9, 2023

Other remarks:

I. Where there are any circumstances referred to in Article 14-3 of the Securities and Exchange Act and any other resolution(s) by the Board of Directors' meetings passed but with independent directors voicing opposing or qualified opinions on the record or in writing, please disclose the date and session of the meeting, contents of the motions, independent directors' opinions and how the Company has responded to such opinions: None.

II. For directors' avoidance of motions which involves conflict of interest:
All of the Company's directors comply with Article 19 of the "Regulations Governing Procedure for Board of Directors Meetings," which provides that "a director or the juristic person represented by him/her may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter, under the following circumstances: I. if the director or the juristic person represented by him/her is an interested party with respect to any agenda item and thereby is likely to prejudice the interests of the Company; II. if the director considers that he/she should recuse himself/herself voluntarily; III. if the director should be recused per the resolution by the Board of Directors meeting. If the director still participates in the voting against the recusal requirement, his/her voting right shall be held invalid."
   1. 1st meeting of 4th Board of Directors in 2025 on March 6, 2025: Proposal for 2024 year-end bonuses for managerial officers: Director Yen Te-Ho, Director Yen The-Wei and Director Chang Yun-Ching recused themselves pursuant to laws.
   2. 1st meeting of the 4th Board of Directors in 2025 on March 6, 2025: Proposal for the distribution of employee and director remuneration for 2024: Director Yen Te-Ho, Director Yen The-Wei, Director Chang Yun-Ching, Director Pan Yung-Shan, Director Tu Chin-Hsiang, Director Chen Chih-Cheng and Director Liu Hsin-Hung all recused themselves pursuant to laws.
   3. 5th meeting of 4th Board of Directors in 2025 on August 7, 2025: Periodic review on the salary and remuneration to directors and managerial officers: Director Yen Te-Ho, Director Yen The-Wei, Director Chang Yun-Ching, Director Pan Yung-Shan, Director Tu Chin-Hsiang, Director Chen Chih-Cheng and Director Liu Hsin-Hung all recused themselves pursuant to laws.
   4. 5th meeting of the 4th Board of Directors in 2025 on August 7, 2025: Proposal for the distribution of 2024 employee remuneration to managerial officers and directors with employee status: Director Yen Te-Ho, Director Yen The-Wei and Director Chang Yun-Ching all recused themselves pursuant to laws.

III. Enhancements to the functionality of the Board of Directors in the current and the most recent year (e.g. establishment of an Audit Committee, and improvement of information transparency, etc), and the progress of such enhancements:
   1. Target for enhancements to the functionality of the Board of Directors:
      (1) The Board of Directors is operating fairly in accordance with the "Regulations Governing Procedure for Board of Directors Meetings."
      (2) The Company also established the "Audit Committee" and "Remuneration Committee" on January 9, 2015, in order to enhance the functionality of the Board of Directors and improvement the information transparency.
      (3) The Company arranges each director to attend continuing education programs to help the director keep his/her core values and professional ability.
   2. Evaluation on implementation status:
      By upholding the principle of operating information transparency, the Company will post any important resolution on the MOPS and the Company's website immediately once it is rendered by the Board of Directors meeting, in order to maintain shareholders' equity.

2. Execution of the Board Performance Evaluation

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Contents of evaluation
Once per year	January 1 to December 31, 2025	Including the Board of Directors, individual Board members, Audit Committee and Remuneration Committee	Internal self-assessment	(1) The Board of Directors' performance evaluation indicators shall cover the following five major aspects: A. Participation in the Company's operation; B. Improvement of Board of Directors' decision-making quality; C. Composition and structure of the Board; D. Election and continuing education of directors; E. Internal controls. (2) The Board members' performance evaluation indicators shall cover the following six major aspects: A. Alignment with the goals and mission of the Company; B. Knowledge of directors' duties; C. Participation in the Company's operation; D. Management of internal relationship and communication; E. Professionalism and continuing education of directors; F. Internal controls. (3) The functional committees' performance evaluation indicators shall cover the following five major aspects: A. Participation in the Company's operation; B. Knowledge of the duties of the functional committee. C. Improvement of the functional committee's decision-making quality. D. Composition of the functional committee, and election and appointment of the committee members. E. Internal controls.

(II) Information the functionality of Audit Committee:

1. The Company established the Audit Committee in replace of the supervisors upon approval of the Board of Directors on January 9, 2015.
2. The Company's Audit Committee consists of 4 independent directors. The Committee aims to help the Board of Directors supervise the quality and integrity of the accounting, auditing and financial reporting procedures and financial controls executed by the Company.
3. Functionality of the Audit Committee in 2025 - A total of 8 meetings were convened in 2025. The members' attendance at the meetings is specified as follows:

Job Title	Name	Frequency of actual attendance	Frequency of proxy attendance	Actual attendance (%)	Remark
Member	Pan Yung-Shan	8	-	100%	Re-elected (Note 1)
Member	Tu Chin-Hsiang	8	-	100%	Newly elected (Note 1)
Convener	Chen Chih-Cheng	8	-	100%	Newly elected (Note 1)
Member	Liu Hsin-Hung	8	-	100%	Newly elected (Note 1)

Note 1: Pan Yung-Shan, Tu Chin-Hsiang, Chen Chih-Cheng and Liu Hsin-Hung were elected as the Company's independent directors at the annual general meeting on June 9, 2023, and became the Audit Committee members to serve the term of office from June 9, 2023 to June 8, 2026.

Matters to be reviewed by the Audit Committee members primarily include:

1. Audit on financial statements, and accounting policies and procedures
2. Internal control systems and related policies and procedures
3. Material assets or derivatives transactions
4. Material loaning of funds and making of endorsement or guarantee
5. Offering or issuance of securities
6. Financial derivatives and cash investment
7. Legal Compliance
8. Whether the manager and director engage in the transaction with related parties and have any potential conflict of interest with each other.
9. Report on grievances
10. Corruption prevention plan and corruption investigation report
11. Information security
12. Corporate Risk Management
13. Seniority and independence of, and performance assessment on, external auditors
14. Appointment, discharge or remuneration of an external auditor
15. Appointment or discharge of a financial, accounting or internal auditing officer.

Performance of responsibilities of the Audit Committee:

● Review on financial reports

The Board of Directors has prepared the Company's 2025 Business Report, financial statements, and earnings appropriation proposal, among which the financial statements have been audited by Deloitte Taiwan, and an audit report has been issued. Said business report, financial statements and earnings appropriation proposal have been reviewed by the Audit Committee and found to have no inconsistencies.

● Evaluation on effectiveness of the internal control system

The Audit Committee evaluated the effectiveness of policies and procedures about the Company's internal control system (including finance, operation, risk management, information security, contract award and compliance control policies), and also reviewed the Company's Audit Dept. and external auditors, in addition to the management's periodic reports, including risk management and legal compliance reports. By reference to the Internal Control-Integrated Framework released by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, the Audit Committee believed that the Company's risk management and internal control system should be held effective. The Company has also adopted necessary control mechanism to supervise and correct any misconduct.

Other remarks:

I. For an Audit Committee that meets any of the following descriptions, state the date, session, contents of motion, independent directors' opposing opinions, reservations or key recommendations, Audit Committee's resolutions, and how the Company has responded to Audit Committee's opinions.

1. Circumstances referred to in Article 14-5 of the Securities and Exchange Act:

Session	Contents of Motion	Resolution	How the Company Has Responded to Audit Committee's Opinions
March 6, 2025 1st meeting of 4th Audit Committee	1. Issuance of the Company's 2024 Statement of Internal Control. 2. Appointment of and remuneration to the Company's external auditors in 2025. 3. 2024 business report and financial statements. 4. 2024 earnings appropriation proposal. 5. Amendment to the proposal for the Company to provide endorsements and guarantees for its subsidiary Ningbo Qiyi Precision Metals Co., Ltd. (hereinafter referred to as "Qiyi") in connection with financing facilities to be arranged with certain financial institutions and the extension of such facilities in 2025. 6. Amendments to certain provisions of the "Internal Control System" and "General Provisions of Internal Audit System and Enforcement Rules thereof." 7. Amendments to certain provisions of the "Articles of Incorporation."	The motion was unanimously approved by all present Committee members as it was proposed upon discussion.	Submitted to the Company's Board of Directors for resolution.
April 10, 2025 2nd meeting of 4th Audit Committee	1. Procurement of equipment by the subsidiary, Ningbo Qiyi Precision Metals Co., Ltd. 2. Proposal for the change of the Company's internal auditing officer.	The motion was unanimously approved by all present Committee members as it was proposed upon discussion.	Submitted to the Company's Board of Directors for resolution.
May 8, 2025 3rd meeting of 4th Audit Committee	1. The Company's Q1 2025 consolidated financial statements.	The motion was unanimously approved by all present Committee members as it was proposed upon discussion.	Submitted to the Company's Board of Directors for resolution.
May 27, 2025 4th meeting of 4th Audit Committee	1. Amendment to the proposal for the Company to provide endorsements and guarantees for its subsidiary Ningbo Qiyi Precision Metals Co., Ltd. (hereinafter referred to as "Qiyi") in connection with financing facilities to	The motion was unanimously approved by all present Committee members as it was proposed upon	Submitted to the Company's Board of Directors for resolution.

	be arranged with certain financial institutions and the extension of such facilities in 2025. 2. Amendments to certain provisions of the "Operating Procedures of Sustainability Report Preparation and Assurance."	discussion.	
August 7, 2025 5th meeting of 4th Audit Committee	1. The Company's Q2 2025 consolidated financial statements. 2. The Company's 2024 Sustainability Report. 3. Amendment to the proposal for the Company to provide endorsements and guarantees for its subsidiary Ningbo Qiyi Precision Metals Co., Ltd. (hereinafter referred to as "Qiyi") in connection with financing facilities to be arranged with certain financial institutions and the extension of such facilities in 2025. 4. Amendments to certain provisions of the "Internal Control System" and "General Provisions of Internal Audit System and Enforcement Rules thereof." 5. Amendments to the Company's "Regulations Governing Handling of Reported Cases Against Illegal and Unethical Conduct or Dishonest Conduct."	The motion was unanimously approved by all present Committee members as it was proposed upon discussion.	Submitted to the Company's Board of Directors for resolution.
September 26, 2025 6th meeting of 4th Audit Committee	1. Procurement of equipment by the subsidiary, Ningbo Qiyi Precision Metals Co., Ltd.	The motion was unanimously approved by all present Committee members as it was proposed upon discussion.	Submitted to the Company's Board of Directors for resolution.
November 11, 2025 7th meeting of 4th Audit Committee	1. The Company's Q3 2025 consolidated financial statements. 2. Amendment to the proposal for the Company to provide endorsements and guarantees for its subsidiary Ningbo Qiyi Precision Metals Co., Ltd. (hereinafter referred to as "Qiyi") in connection with financing facilities to be arranged with certain financial institutions and the extension of such facilities in 2025. 3. Amendments to certain provisions of the "Sustainable Development Best Practice Principles".	The motion was unanimously approved by all present Committee members as it was proposed upon discussion.	Submitted to the Company's Board of Directors for resolution.
December 24,	1. Submission of the Company's 2026	The motion was	Submitted to the

2025 8th meeting of 4th Audit Committee	business plan. 2. Amendment to the proposal for the Company to provide endorsements and guarantees for its subsidiary Ningbo Qiyi Precision Metals Co., Ltd. (hereinafter referred to as "Qiyi") in connection with financing facilities to be arranged with certain financial institutions and the extension of such facilities in 2025. 3. Proposal for Ningbo Qiyi Precision Metals Co., Ltd., a subsidiary, to apply for an extension of the disposal period for company-owned real estate and to adjust the disposal price.	unanimously approved by all present Committee members as it was proposed upon discussion.	Company's Board of Directors for resolution.

2. Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-third of directors: None.

II. For independent directors' avoidance of motions which involves conflict of interest, the names of independent directors, contents of the motions, reasons of the recusal for conflict of interest, and participation in voting must be disclosed: None.

III. Communication between independent directors & internal auditing officer and CPAs:

1. The interaction between internal auditors and independent directors in 2025 is as follows:

Date	Attendees	Contents of communication	Results of communication
March 6, 2025 Communication meeting	Independent Director Chen Chih-Cheng Independent Director Pan Yong-Shan Independent Director Tu Chin-Hsiang Independent Director Liu Hsin-Hung Chief Internal Audit Officer Huang Chi-Yun	2024 overall audit operations implementation status.	No comments
		Internal audit reports for December 2024 and January to February 2025.	No comments
		Issuance of the 2024 "Statement of Internal Control."	No comments
May 8, 2025 Communication meeting	Independent Director Chen Chih-Cheng Independent Director Pan Yong-Shan Independent Director Tu Chin-Hsiang Independent Director Liu Hsin-Hung Chief Internal Audit Officer Huang Chien-Chung	Internal audit reports for March to April 2025.	No comments
August 7, 2025 Communication meeting	Independent Director Chen Chih-Cheng Independent Director Pan Yong-Shan Independent Director Tu Chin-Hsiang Independent Director Liu Hsin-Hung Chief Internal Audit Officer Huang Chien-Chung	Internal audit reports for May to June 2025.	No comments
September 26, 2025 Communication meeting	Independent Director Chen Chih-Cheng Independent Director Pan Yong-Shan	Internal audit reports for July to August 2025.	No comments

	Independent Director Tu Chin-Hsiang Independent Director Liu Hsin-Hung Chief Internal Audit Officer Huang Chien-Chung		
November 11, 2025 Communication meeting	Independent Director Chen Chih-Cheng Independent Director Pan Yong-Shan Independent Director Tu Chin-Hsiang Independent Director Liu Hsin-Hung Chief Internal Audit Officer Huang Chien-Chung	Internal audit reports for September 2025.	No comments
December 24, 2025 Communication meeting	Independent Director Chen Chih-Cheng Independent Director Pan Yong-Shan Independent Director Tu Chin-Hsiang Independent Director Liu Hsin-Hung Chief Internal Audit Officer Huang Chien-Chung	Internal audit reports for October to November 2025.	No comments
		Proposal of the "the Company's 2026 internal audit plan" to the internal auditors.	No comments

2. The interaction between CPAs and independent directors in 2025 is as follows:

Date	Attendees	Contents of communication	Results of communication
March 6, 2025 Audit Committee	Independent Director Chen Chih-Cheng Independent Director Pan Yong-Shan Independent Director Tu Chin-Hsiang Independent Director Liu Hsin-Hung Chang Tsu-Yuan from Deloitte Taiwan CPA Huang Pao-Yu from Deloitte Taiwan Senior Manager	Evaluation on independence and competence of external auditors.	No objection raised by the Audit Committee.
		Reported to the Audit Committee on the expected audit and non-audit work in 2025 for approval.	Approved the audited and non-audited work to be performed by Deloitte Taiwan in 2025.
		Discussion and communication about the 2024 consolidated financial statements and parent company only financial statements.	Audit Committee approved the review result of the 2024 financial statements, and no follow-up is required.
May 8, 2025 Audit Committee	Independent Director Chen Chih-Cheng Independent Director Pan Yong-Shan Independent Director Tu Chin-Hsiang Independent Director Liu Hsin-Hung Hsu Kai-Ning from Deloitte Taiwan CPA Chang Yen-Ting from Deloitte Taiwan Manager	Discussion and communication about the Q1 2025 consolidated financial statements.	Audit Committee approved the review result of the Q1 2025 financial statements, and no follow-up is required.
August 7, 2025 Audit Committee	Independent Director Chen Chih-Cheng Independent Director Pan Yong-Shan Independent Director Tu Chin-Hsiang Independent Director Liu Hsin-Hung Chang Tsu-Yuan from Deloitte Taiwan CPA Weng Yi-Hsin from Deloitte Taiwan Assistant Vice President	Discussion and communication about the Q2 2025 consolidated financial statements.	Audit Committee approved the review result of the Q2 2025 financial statements, and no follow-up is required.
November 11, 2025 Audit Committee	Independent Director Chen Chih-Cheng Independent Director Pan Yong-Shan Independent Director Tu Chin-Hsiang Independent Director Liu Hsin-Hung Hsu Kai-Ning from Deloitte Taiwan CPA	Discussion and communication about the Q3 2025 consolidated financial statements.	Audit Committee approved the review result of the Q3 2025 financial statements, and no follow-up is required.
December 24, 2025 Audit Committee	Independent Director Chen Chih-Cheng Independent Director Pan Yong-Shan Independent Director Tu Chin-Hsiang Independent Director Liu Hsin-Hung Hsu Kai-Ning from Deloitte Taiwan CPA Chang Tsu-Yuan from Deloitte Taiwan CPA	2025 audit strategies, key audit matters scheduled to be communicated for the 2025 financial statements, and report on AQIs.	Audit Committee approved the 2025 audit strategies and key audit matters.

(III) Corporate governance status, and deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof.

Evaluation items	Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best practice principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has adopted its own Corporate Governance Best Practice Principles. The exercise of powers by the Company's directors and independent directors, and the internal controls, adhere to the spirit of the Principles and are also governed by the Principles.	No material deviation was found.
II. Equity structure and shareholders' equity of the Company				
(I) Does the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters, and have the procedures implemented accordingly?	✓		The Company has appointed the spokesperson and deputy spokesperson, and disclosed the spokesperson's phone number on the MOPS as the channel dedicated to dealing with shareholders' suggestions, questions and dispute, in order to ensure the shareholders' equity.	No material deviation was found.
(II) Does the Company possess the list of the Company's major shareholders of ultimate controllers, and the list of the ultimate controllers of the major shareholders?	✓		The Company's routine shareholders service is contracted to the professional shareholders service agent. Meanwhile, the Company also assigns dedicated personnel to take charge of relevant affairs, and retains at all times a register of the major shareholders having controlling power over the Company and the persons with ultimate control over those major shareholders.	

Evaluation items	Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
(III) Does the Company establish and implement the risk control and firewall mechanism with its affiliated companies?	✓		The Company and the affiliated companies engaged in transactions with the Company all expressly define the price conditions and payment method in a fair and reasonable manner. Meanwhile, the Company has adopted the "Rules Governing Financial and Business Matters Between Affiliated Companies, Specific Companies and Group Companies" to govern the transactions with its affiliated companies. Therefore, it should be able to achieve the risk controls effectively.	
(IV) Does the Company adopt internal rules prohibiting the Company's insiders from trading securities using information not disclosed to the market?	✓		The Company has adopted its "Procedures for Handling Material Inside Information and Insider Trading Prevention Management" in order to prohibit the Company's insiders from engaging in trading securities with the information yet disclosed to the market.	
III. Composition and responsibilities of the Board of Directors (I) Does the Board of Directors have a diversity policy and management goals that are duly enforced?	✓		Article 20 of the Company's "Corporate Governance Best Practice Principles" expressly states that the composition of the Board of Directors shall be determined by taking diversity into consideration. The directors who hold the position as the Company's managerial officers shall be no more than one-third of all of the directors, and an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include,	No material deviation was found.

Evaluation items	Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
			without being limited to, the following two general standards: I. Basic requirements and values: Gender, age, nationality, and culture, and female directors preferably accounting for one-third of the whole directors. II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. For the Company's Board diversity policy, specific management goals and status of enforcement thereof, please refer to Pages 11–14 hereof.	
(II) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional committees set up voluntarily?	✓		The Company has set up the Remuneration Committee and Audit Committee, which are both operating pursuant to related laws and regulations. It will set up other functional committees, subject to the Company's overview of operation and related laws and regulations.	

Evaluation items		Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
		Yes	No	Summary	
(III)	Does the Company establish a set of policies and assessment methods to evaluate the Board's performance, conduct the performance evaluation regularly at least on an annual basis, and submit the results of performance assessments to the Board of Directors and use them as reference in determining remuneration for individual directors, and their nomination for additional office term?	✓		The Company's latest Board of Directors meeting amended the "Regulations Governing the Board of Directors' Performance Evaluation" on August 7, 2020. The Company conducted an internal board performance evaluation at the end of February 2026 by distributing self-assessment questionnaires to all board members. The scope of the evaluation covered the performance of the Board as a whole, the individual Board members, and the functional committees. The Board of Directors' performance evaluation indicators shall cover the following five major aspects: 1. Participation in the Company's operation; 2. Improvement of Board of Directors' decision-making quality; 3. Composition and structure of the Board; 4. Election and continuing education of directors; 5. Internal controls. The Board members' self-performance evaluation indicators shall cover the following major aspects: 1. Alignment with the goals and mission of the Company; 2. Knowledge of directors' duties; 3. Participation in the Company's operation; 4. Management of internal relationship and communication; 5. Professionalism and continuing education of directors;	

Evaluation items	Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
			6. Internal controls. The Audit Committee's and Remuenration Committee's self-performance evaluation indicators shall cover the following major aspects: 1. Participation in the Company's operation; 2. Knowledge of the duties of the functional committee. 3. Improvement of the functional committee's decision-making quality. 4. Composition of the functional committee, and election and appointment of the committee members. 5. Internal controls. The evaluation is conducted by Finance and Accounting Department through internal questionnaire. Based on the four major indicators, i.e. functionality of the Board of Directors, directors' engagement, functionality of the Remuneration Committee and functional of the Audit Committee, the parliamentary unit conducts the evaluation on the functionality of the Board of Directors, directors conduct the self-evaluation on their engagement, and the parliamentary unit conducts the evaluation on the functionality of the Remuneration Committee and Audit Committee. Said performance appraisal will be taken into consideration when the Company is electing or nominating independent directors. The directors' and functional committee members' performance evaluation result will serve as the reference for determination of the	

Evaluation items	Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
			remuneration to individual directors. After recalling the questionnaire at the end of February each year, the Company's Finance and Accounting Department will conduct the analysis according to said Regulations, report the result to the Board of Directors and also propose the approach to make improvement per the suggestions provided by directors. The Company completed the performance evaluations of the Board of Directors, the Board members, the Remuneration Committee, and the Audit Committee in February 2026, and reported the evaluation results to the Board of Directors at the board meeting held on March 10, 2026. The evaluation results for this year showed that “the Board of Directors, Audit Committee and Remuneration Committee could be considered operating effectively.”	

Evaluation items	Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
(IV) Does the Company have the independence of the external auditors evaluated regularly?	✓		The Company's Audit Committee assesses the independence and competency of the external auditors each year, and demands that the external auditors should provide "Statement of Independence" and "AQIs", and also conduct the assessment in accordance with the "CPA Independence and Performance Assessment Form" in the Company's "Regulations Governing Assessment on Independence and Competence of External Auditors" and 13 AQIs. Upon confirmation, it was found that, except the fees for certification and taxation affairs, the CPAs had no financial interests or business relationship with the Company. The CPAs' family members were also found free from any violations of the independence requirements. Meanwhile, in reference to the AQI indicators, CPAs and their firms were also confirmed to outperform the average level among the peers in the same trade in terms of the experience in audit and training hours, and also continued to implement the digital audit tools to provide the audit quality. The assessment results for the most recent one year have been discussed and approved by the Audit Committee on March 10, 2026, and reported to the Board of Directors on March 10, 2026, for resolution regarding the assessment of the independence and competence of the CPAs.	

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Actual governance</th><th rowspan="2">Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>The specific indicators for the “CPA Independence and Performance Assessment Form” are stated as follows:
<table>
<tr><th>Item</th><th>Specific indicators</th><th>Yes</th><th>No</th><th>Compliance with the independence requirements or not</th></tr>
<tr><td colspan="5">Independence indicators (according to Article 47 of the Certified Public Accountant Act - CPAs may not undertake the certification of financial reports) :</td></tr>
<tr><td>1</td><td>Whether the evaluated party is currently employed by the client or audited entity to perform routine work for which he or she receives a fixed salary, or currently serves as a director thereof.</td><td>No</td><td></td><td>Yes</td></tr>
<tr><td>2</td><td>Whether the evaluated party has previously served for the client or audited entity as a director, managerial officer, or an employee with material influence over the audited case, and has been separated from the position for less than two years.</td><td>No</td><td></td><td>Yes</td></tr>
<tr><td>3</td><td>Whether the evaluated party is the spouse, lineal relative by blood, lineal relative by marriage, or collateral relative within the second degree of kinship by blood of the Company's responsible person or managerial officer.</td><td>No</td><td></td><td>Yes</td></tr>
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<tr><th rowspan="2">Evaluation items</th><th colspan="3">Actual governance</th><th rowspan="2">Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Item</th><th>Specific indicators</th><th>Yes</th><th>No</th><th>Compliance with the independence requirements or not</th></tr>
<tr><td colspan="5">Independence indicators (according to Article 47 of the Certified Public Accountant Act - CPAs may not undertake the certification of financial reports) :</td></tr>
<tr><td>4</td><td>Whether the evaluated party, or the spouse or a minor child thereof, has invested in the client or audited entity, or shares in financial gains therewith.</td><td>No</td><td></td><td>Yes</td></tr>
<tr><td>5</td><td>Whether the evaluated party, or the spouse or a minor child thereof, has lent or borrowed funds to or from the client or audited entity.</td><td>No</td><td></td><td>Yes</td></tr>
<tr><td>6</td><td>Whether the evaluated party provides management consulting or other non-attestation services that affect his or her independence.</td><td>No</td><td></td><td>Yes</td></tr>
<tr><td>7</td><td>Whether the evaluated party fails to comply with regulations, as prescribed by the competent authority, governing CPA rotation, handling accounting matters on behalf of clients, or other matters that affect his or her independence.</td><td>No</td><td></td><td>Yes</td></tr>
</table>
</td><td></td></tr>
<tr><td>IV. Does the Company assign the adequate number of competent corporate governance officers, and</td><td>✓</td><td></td><td>The Company appoints the Finance and Accounting Department to serve as the corporate governance unit</td><td>No material deviation was</td></tr>
</table>

Evaluation items	Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
appoint the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, provision to directors/supervisors the information needed by them to perform their duties, assistance to directors/supervisors in compliance, organization of the Board of Directors meetings and shareholders' meetings, and preparation of the Board meeting and shareholders' meeting minutes, etc.)?			concurrently to promote the corporate governance systems and propose the suggestions on improvement, including corporate governance framework, code of conduct, Board of Directors, Audit Committee, Remuneration Committee, internal control & risk management, and continuing operation management. The proposal for appointment of the Financial and Accounting Assistant Vice President to hold the position as the chief corporate governance officer concurrently was resolved and approved by the Board of Directors on March 16, 2023. The appointment became effective as of April 1, 2023.	found.
V. Does the Company provide proper communication channels and create a stakeholder section on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company has appointed the spokesperson and deputy spokesperson as the channel of communication with stakeholders. The Company's website also provides the stakeholders section. Should any stakeholder have questions or opinions, the stakeholder may communicate via the department dealing with it.	No material deviation was found.
VI. Does the Company engage a shareholders service agency to handle shareholders' meeting affairs?	✓		The Company has appointed the professional shareholders service agency to handle the routine shareholders service on behalf of the Company.	No material deviation was found.
VII. Information disclosure (I) Does the Company set up a website to disclose the Company's business, finance and	✓		The Company has set up the investors section where shareholders and investors may access the information about	No material deviation was found.

Evaluation items	Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
corporate governance information?			the Company's finance, business and corporate. http://www.yuenchang.com.tw	
(II) Does the Company have adopted other information disclosure methods (e.g., establishing an English website, designating dedicated persons for collecting and disclosing information of the Company, practicing the spokesman system, posting the investor conference on the Company's website, etc.)?	✓		The Company appoints dedicated personnel to disclose the Company's material information, enters the information to the MOPS and the Company's website in a timely manner, and also implements the spokesperson system as required.	
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified deadline?		✓	The Company publishes and reports its annual financial report within specific time limit prescribed by the Securities and Exchange Act, and also publishes and reports its financial reports for the first, second and third quarters as well as its operating status for each month before specified deadline. The Company will publish and report its annual financial reports within two months at the end of a fiscal year, subject to its overview of operation and related laws and regulations.	
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights,	✓		1. For employee right and employee care: The Company has complied with the Labor Standards Act. Meanwhile, the Company also provides employees with a healthy, safe and humane working environment, arranges the health checkup	No material deviation was found.

Evaluation items	Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and insuring against liabilities of company directors and supervisors)?			for employees regularly, establishes the Employee Welfare Committee, and convenes regular labor-management meetings to protect employees' rights. 2. Investor relations: The Company values investors' interest and right, and publishes related information timely on the MOPS designated by the competent authority pursuant to relevant requirements. The Company also appoints the spokesperson, deputy spokesperson, and contact person for investors relations to answer any questions about the Company raised by investors from time to time. 3. Supplier relations: The Company always maintains the fair supply relationship with suppliers. Over the past years, various suppliers' quality and delivery schedule were considered normal, and no problem about shortage or interruption of supplies arose. 4. Stakeholders' interests: The Company and stakeholders all exercise rights and perform obligations per contract and related operating requirements, in order to protect both parties' interests and rights.	

Evaluation items	Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
			5. Continuing education of directors: The Company's directors and independent directors all have professional backgrounds and practical experience in operation and management. Meanwhile, they would attend the continuing education program about corporate governance regularly, and satisfy the requirements on continuing education hours. 6. Implementation of risk management policies and risk measurements: The Company's internal control system and material business management regulations have been resolved by the Board of Directors or shareholders' meetings. 7. Implementation of customer policy: The Company follows the Ethical Management Best Practice Principles and maintain the fair supply relationship with customers. The Company designates personnel to continue communicating with customers and solving problems with respect to the timely delivery of customers' orders, quality requirements and after-sale. 8. Status of the Company's Purchase of Directors' Liability Insurance: The Company renewed directors' liability	

Evaluation items	Actual governance			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
			insurance for all directors on March 10, 2026, and reported the matter to the Board of Directors at the board meeting held on March 10, 2026. The insurance policy is stated as follows: (1) Insurance period: March 15, 2026 to March 15, 2027. (2) Coverage: Directors' and managerial officers' liability, the Company's compensation liability, coverage of investigation and defense expenses, the Company's compensation liability toward securities, and the Company's compensation liability toward employment. (3) Insured value: US$1 million.	

IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified:

(I) The Company ranked 66%–80% in the 12th Corporate Governance Evaluation.

(II) Improvement status for items not scored in the 12th Corporate Governance Evaluation (Evaluation Year: 2025) is as follows:

Type of indicator	Contents of indicator	Scores	Improved?	Explanation about pending improvement
Protection of shareholders' rights and equitable treatment of shareholders	1.5 Has the Company established specific measures to enhance corporate value, submitted them to the Board of Directors, and disclosed the relevant information in the "Corporate Value Enhancement Plan" section of the Market Observation Post System (MOPS)?	0		The Company will decide subject to the actual need.
Enhanced structure and operation of the Board of Directors.	2.3 Are the Company's Chairman and the president or other equivalents (the highest management) different persons, or spouses, or relatives within 1st degree of kinship with each other?	0		The Company will decide subject to the actual need.
Enhanced structure and operation of the Board of Directors.	2.4 Does some spousal relationship or a familial relationship within the second degree of kinship exist among more than two directors of the Company?	0		The Company will decide subject to the actual need.
Enhanced structure and operation of the Board of Directors.	2.9 Does the Company set forth the Board member and key management successor cultivation planning, and disclose how the planning works on the Company's website or on the Company's annual report?	0		The Company will decide subject to the actual need.
Enhanced structure and operation of the Board of Directors.	2.14 Has the Company established a Nomination Committee with no fewer than three members, a majority of whom are independent directors, with an independent director serving as the convener and chairperson, and disclosed its composition, responsibilities, and operations?	0		The Company will decide subject to the actual need.
Enhanced structure and operation of the Board of Directors.	2.22 Whether the Company has an audit committee or functional committee at the board level (e.g., the Risk Management Committee) to supervise risk management, has the risk management policies and procedures approved by the Board of Directors, and disclose the risk management organizational structure, risk management procedures and operations thereof and report them to the Board of Directors at least once a year?	0		The Company will decide subject to the actual need.
Enhanced structure and operation of the Board of Directors.	2.23 Are the Regulations Governing the Board of Directors' Performance Evaluation set forth by the Company approved by a Board meeting and do the Regulations expressly that an external audit should be conducted at least once per three years? Does the Company do so in the assessment year or within the most recent two years and disclose the execution status and evaluation results on its website or in its annual report?	0		The Company will decide subject to the actual need.
Enhanced structure and operation of the Board of Directors.	2.27 Does the Company set the IP management plan structured with the business objectives, and disclose the status in implementation of the plan on the Company's website or in its annual report, and report the same to the Board of Directors at least once per year?	0		The Company will decide subject to the actual need.
Improvement of Information Transparency	3.13 Does the Company's annual report disclose the compensation to individual directors and supervisors voluntarily?	0	Yes	Already disclosed in the 2025 annual report.
Improvement of Information Transparency	3.20 Is the Company invited to convene (or convenes voluntarily) at least two institutional investor conferences, with disclosure of at least two complete video/audio links of the conferences, and the interval between the two institutional investor conferences convened at the beginning and end of the evaluated year is more than three months?	0		In 2025, the Company was invited to hold one investor conference. Going forward, such conferences will be conducted based on actual needs.
Improvement of Information Transparency	3.21 Does the Company's annual report disclose the compensation to individual General Manager and Vice General Manager voluntarily?	0	Yes	Already disclosed in the 2025 annual report.

Type of indicator	Contents of indicator	Scores	Improved?	Explanation about pending improvement
Promotion of sustainable development	4.5 Is the sustainability report prepared by the Company certified by a third party?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.7 Does the Company upload to the MOPS and the Company's website the English sustainability report?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.12 Does the Company adopt the policies aiming at reducing water consumption or other wastes, including reduction target, promotion measures and achievement status?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.17 Does the Company's website, annual report or sustainability report disclose any specific supplier management policy adopted by the Company, which demands that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or laborers' human rights, and how the policy is implemented?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.18 Does the Company disclose the information about its governance, strategy, risk management, indicators and targets of the risk and opportunities related to climate according to the Task Force on Climate-Related Financial Disclosures (TCFD) framework?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.19 Has the Company invested in energy-saving or green energy-related environmentally sustainable equipment, or invested in Taiwan's green energy industry (such as renewable energy power plants), or issued or invested in sustainability bonds, and disclosed the investment details and specific benefits?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.22 Does the Company allocate resources to support the development of domestic culture, and disclose the support methods and results on the Company's website and in the annual report or sustainability report?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.23 Did the company disclose its policy on the connection between senior managerial officer remuneration and ESG-related performance assessment?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.27 Has the Company disclosed Scope 3 greenhouse gas emission categories and annual emissions for the past year?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.29 Has the Company adopted an internal carbon pricing mechanism to assess the impact of climate change on its financial and operational performance?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.31 Does the Company conduct regular employee satisfaction surveys and disclose the implementation status and improvement plans?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.32 Has the Company established a personal data protection policy and disclosed its content and implementation status?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.33 Has the Company established policies and complaint procedures to protect consumer or customer rights in relation to product and service issues such as health and safety, marketing, or labeling?	0		The Company will decide subject to the actual need.
Promotion of sustainable development	4.34 Has the Company established a board-level Sustainability Development Committee with no fewer than three members, whose members possess expertise and capabilities in corporate sustainability, with at least one director participating in oversight, and disclosed its composition, responsibilities, and operations?	0		The Company will decide subject to the actual need.
Bonus questions	Does the Company present excellent performance in the field of corporate governance, or have already achieved specific effect in promotion of corporate governance?	No extra scores.		The Company will decide subject to the actual need.

(IV) Disclose the composition, responsibilities and functionality f the Remuneration Committee, if available

According to Paragraph 1 of Article 14-6 of the Securities and Exchange Act and "Regulations on the Establishment of Remuneration Committees by TWSE/TPEx Listed Companies and their Exercise of Powers," the Company passed the adoption of the "Articles of Association for the Remuneration Committee" at the 1st meeting of the 1st Board of Directors in 2015 on January 9, 2015.

The Remuneration Committee's responsibilities primarily include adoption of the Chairman's and managerial officers' performance evaluation policy, review on their performance, and adoption and periodic review on the remuneration to directors and managerial officers, and the structure and system thereof.

1. Information about the Remuneration Committee members:

Information about the Remuneration Committee Members

Conditions / Identity / Name		Professional qualifications and experience	Independence status	Number of other companies where the member is also a member of their remuneration committees
Independent director (Convener)	Tu Chin-Hsiang	Note 1	Note 1	0
Independent director	Pan Yung-Shan	Note 1	Note 1	0
Independent director	Chen Chih-Cheng	Note 1	Note 1	2

Note 1: Please refer to the information about directors on Pages 11–14 hereof.

2. Information about the functionality of the Company's "Remuneration Committee":

(1) The Company's Remuneration Committee consists of three members.

(2) Term of Office of the Current Committee: June 9, 2023 to June 8, 2026. The Remuneration Committee convened 2 meetings in 2025. The members' attendance at the meetings is stated as follows:

Job Title	Name	Frequency of actual attendance	Frequency of proxy attendance	Actual attendance (%)	Remark
Member	Pan Yung-Shan	2	-	100%	Re-elected (Note 1)
Convener	Tu Chin-Hsiang	2	-	100%	Newly elected (Note 1)
Member	Chen Chih-Cheng	2	-	100%	Newly elected (Note 1)

Note 1: Pan Yung-Shan, Tu Chin-Hsiang and Chen Chih-Cheng were elected as the Company's independent directors at the annual general meeting on June 9, 2023, and became the Remuneration Committee members.

Remuneration Committee	Contents of Motion	Resolution	How the Company Has Responded to Remuneration Committee's Opinions
1st meeting of 4th Committee in 2025 March 6, 2025	1. Proposal for 2024 year-end bonuses for managerial officers. 2. Proposal for the distribution of employee and director remuneration for 2024.	Approved by the whole Committee members unanimously.	Submitted to the Board of Directors and approved by all present directors unanimously.
2nd meeting of 4th Committee in 2025 August 7, 2025	1. To review the salary and remuneration to directors and managerial officers periodically. 2. Proposal for the distribution of 2024 employee remuneration to managerial officers and directors with employee status.	Approved by the whole Committee members unanimously.	Submitted to the Board of Directors and approved by all present directors unanimously.

Other remarks:

I. Should the Board of Directors reject or modify the suggestions from the Remuneration Committee, state the date, session, contents of the motions, resolution made by Board meeting and results thereof, and how the Company has responded to Remuneration Committee's opinions (describe the differences and reasons, if any, should the Board of Directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): None.

II. Should any resolution(s) by the Remuneration Committee be passed but with members voicing opposing or qualified opinions on the record or in writing, please describe the date and session of the meeting, contents of the motion, the entirety of members' opinions, and how their opinions are addressed: None.

(V) Implementation status of sustainable development practices, and variance from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
I. Does the Company implement a governance body that supports sustainable development, and designated a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the Board of Directors and run by senior management, and how does the Board supervise progress?	✓		1. The Company established the "Ethical Management and Social Responsibility Committee" in 2015, which was renamed the "Sustainable Development Committee" in 2023. The Committee is responsible for formulating the corporate sustainability strategies and visions, in order to promote the corporate social responsibility operations and management. 2. The General Manager holds the position as the Chairman of the Committee. The Committee consists of the corporate governance team, sustainable environment team, social welfare team and ethical management team. 3. The Committee convenes at least one meeting per year, in order to review the implementation status in the previous year prepare the specific promotion plan for the current year and report to the Board of Directors regularly. The handling status for 2024 and 2025 was submitted to the 1st meeting of the 4th Board of Directors in 2025 on March 6, 2025, and the 1st meeting of the 4th Board of Directors in 2026 on March 10, 2026. 4. The Board of Directors urges the management team to make adjustment whenever it is necessary. The Committee shall listen	No material deviation was found.

<table>
<tr><th rowspan="2">Promotional items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>to the Board of Directors' opinion, in order to strengthen the adjustment items.</td><td></td></tr>
<tr><td>II. Does the Company, in accordance with the materiality principle, conduct risk assessments on environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy?</td><td>✓</td><td></td><td>The disclosed information covers the Company's sustainability performance at its major locations from January to December 2025. The risk assessment border shall be subject to the Company's locations in Taiwan.
The Company has, in accordance with the materiality principle for corporate social responsibility, conducted risk assessments on environmental, social, and corporate governance issues pertaining to company operations and established the following relevant risk management policy or strategy upon the risk assessment:
<table>
<tr><th>Material issue</th><th>Risk assessment items</th><th>Risk management policy or strategy</th></tr>
<tr><td>Environment</td><td>Environmental protection</td><td>The Company uses the best effort to implement environmental protection. By executing the ISO 14001 environmental management and continuing replacement with energy-conservation equipment, the Company mitigates the pollution and power consumption and improves reuse and recycling of waste effectively. The Company also installs solar panels throughout the factory premises to mitigate carbon emission and achieve the energy conservation effect by lowering the room temperature at the factory premises. The</td></tr>
</table></td><td>No material deviation was found.</td></tr>
</table>

Promotional items	Implementation status					Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary			
					Company also adopts and executes plans and programs per ISO 14001, and regularly follows up the progress and achievement of various goals.	
			Society	Product safety	All of the Company's products comply with the RoHS. Meanwhile, by executing the ISO 9001 quality management system, the Company may provide customers with the product and quality without the safety concern. The Company also conducts the customers' quality and service satisfaction survey, strengthen the cooperative relationship with customers, and continue to provide fine-quality services as the basis for corporate sustainable development.	
			Corporate Governance	Socioeconomic and Legal Compliance	By establishing the corporate governance organizational framework, the Company has its overall operating activities execute the internal control system strictly. Meanwhile, the Company reviews the same regularly in order to deal with the changes in internal and external environment, ensure that all of the Company's personnel and operations keep functioning effectively, and strictly comply with the Articles of Incorporation and related laws & regulations.	
				Strengthen the powers of the Board of Directors	1. Plan related continuing education issues for directors and provide directors with the latest laws & regulations and system development and policies each year.	

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
			2. Maintain the liability insurance for directors to protect them from litigation or monetary claims.	
III. Environmental issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	✓		1. The Company has obtained ISO 14001 environmental management system certification and continues to maintain the certification through annual renewals. 2. Since 2022, the Company has conducted annual organizational greenhouse gas inventories in accordance with the international standard ISO 14064-1. Since 2023, the inventory results have been verified annually by a third party to ensure data quality.	No material deviation was found.
(II) Does the Company endeavor to utilize all resources more efficiently, and use renewable materials which have a low impact on the environment?	✓		1. The rooftop solar panels at the Dafa Plant continue to operate, generating approximately 2.17 million kWh of electricity annually and reducing carbon emissions by approximately 1,030 metric tons. 2. The energy-conservation and variable-frequency equipment is chosen as the first priority if the equipment at the factory premises should be replaced. 3. The Headquarters and factories of the Company all adopted LED lamps. As of the end of 2025, the head office has completed the installation of a total of 44 high-efficiency LED panel lights, replacing 47	No material deviation was found.

Promotional items		Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
		Yes	No	Summary	
				conventional fixtures. This upgrade reduced total lighting power consumption from 5,452W to 1,760W, representing a 67.7% reduction in load. In terms of economic benefits, based on the measured average electricity price of NT$5.12 per kWh in 2025, the Company achieved annual electricity cost savings of approximately NT$68,996. This initiative effectively achieved the dual objectives of energy reduction and operating cost optimization.	
		✓		4. The Company's packaging materials are made of the waste upon classification, recycling and reuse of waste (e.g., lining paper/angle bead/ paper tubes) through internal management procedures, in order to mitigate waste of natural resources and also the impact to the environment.	
		✓		5. The traditional blue tempered steel strap is changed to PET plastic steel packing. Please refer to Pages 46~51 for details.	
(III)	Does the Company assess the current and future potential risks and opportunities that climate change may present to enterprises and adopt the			1. In 2026, the Company completed the greenhouse gas inventory for 2025 in accordance with ISO 14064-1. Details of the greenhouse gas inventory results, assurance status, and reduction policies are provided on pages 49 to 51. 2. To achieve sustainable water resource management, the Company has constructed a detention pond and a rainwater harvesting	No material deviation was found.

<table>
<tr><th rowspan="2">Promotional items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>responsive measures against climate-related issues?
(IV) Does the Company maintain statistics on GHG emission, water consumption, and total waste volume in the last two years, and adopt the policies aimed at conserving energy, and reducing carbon, GHG emission, water consumption or other wastes?</td><td></td><td></td><td>system for loading docks at the Dafa Plant. Based on projected rainfall, the system is expected to collect approximately 277.21 cubic meters (m^3) of rainwater in 2025. The collected water will be used for non-potable purposes, such as toilet flushing and irrigation, supporting the Company's goal of "zero wastewater discharge."
3. Through the implementation of the ISO 14001 environmental management system, the Company has enhanced waste recycling and reuse. Packaging materials at its Taiwan facilities are managed through internal procedures to ensure proper waste classification and resource recycling.
<table>
<tr><th>Item</th><th>2024</th><th>2025</th></tr>
<tr><td>GHG</td><td>501,850.858</td><td>347,075.384</td></tr>
<tr><td>Water consumption</td><td>13,287 cubic meters</td><td>14,308.66 cubic meters</td></tr>
<tr><td>Gross weight of waste</td><td>22 tons of domestic waste, 0 tons of wood scraps, and 1.33 tons of waste lubricant</td><td>20 tons of domestic waste, 17.46 tons of wood scraps, 0 tons of waste lubricant, 129.88 tons of scrap metal, and 217.44 tons of waste paper</td></tr>
</table></td><td>No material deviation was found.</td></tr>
</table>

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
IV. Social issues (I) Does the Company develop its policies and procedures in accordance with laws and International Bill of Human Rights?	✓		1. To fulfill its corporate social responsibility and safeguard the fundamental human rights of all employees, customers, and stakeholders, the Company has established a "Human Rights Policy" in accordance with the principles set forth in international human rights standards, including the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization conventions. 2. The Company also complies with applicable labor laws and regulations in the jurisdictions in which it operates. In addition, the Company has established "Work Rules," under which the rights and obligations of both labor and management are aligned with labor regulations, thereby safeguarding employees' lawful rights and promoting harmonious labor-management relations.	No material deviation was found.

Promotional items		Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
		Yes	No	Summary	
(II)	Does the Company adopt and implement reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflect the operating performance or results to the remuneration to employees adequately?	✓		1. Employee Benefit Plans: (1) Bonus: Year-end bonus, remuneration to employees, production bonus, sales bonus and business bonus. (2) Gift money: Gift money for wedding, gift money for childbirth, gift money for birthday, gift money for three major festivals, gift money for service seniority, consolation money for hospitalization, and consolation money for funeral. (3) Catering services: Employees may use rice steamers, microwave ovens, electric cookers and coffee machine provided by the Company. The Company also provides desserts and snacks at teatime each month. Employees are granted the allowance for staff party, as the Company wishes to enhance the exchange among colleagues. (4) Day care center and breastfeeding room: The Company executes the contract with the kindergarten to provide employees with preferential measures if they send their children to the kindergarten. A heartwarming breastfeeding room is also made available to employees who need to breastfeed children. (5) Subsidies: The Company provides disaster subsidies. Employees are granted subsidies for natural disaster. Meanwhile, the continuing education subsidies are granted in order to encourage to attend continuing education.	

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
			(6) Healthcare: In addition to labor and national health insurance programs, the Company maintains the employee group medical and accident insurance programs additionally, in order to protect employees. The Company implements employee health checkup, provides on-site healthcare professionals' services every year, conducts health checkup analysis and management, prevention of occupational diseases and health promotion. (7) Leisure category: The Company will organize local and overseas tours and one-day tours from time to time, in order to have employees feel relaxed physically and mentally. 2. Leave: The Company implements the sound leave system in accordance with labor laws and regulations, and includes it into its "Work Rules" communicated to all colleagues, which will be amended in response to update on the laws and regulations, if any. 3. Workplace diversity and equality: (1) The Company implements the equal pay equal work reward conditions and equal promotion opportunity. By upholding the principle that the job is suitable for the right person, the Company approves that female employees also have the opportunity for promotion to be executive officers. In 2025, female employees accounted for 36.1% of the workforce, while	

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
			female employees represented 48.3% of mid-level and above management positions. (2) The Company provides a parental leave without pay program, under which employees may apply as needed. In 2025, a total of five employees applied for parental leave without pay, and the return-to-work rate was 50%. 4. Employee remuneration policy: (1) In order to attract and retain talents, and have employees to share operating results with the Company, the Company provides competitive salary and rewards to attract and retain talents. The main philosophy upheld by the Company is to determine the salary subject to the job position. The rewards are decided based on the colleagues' functions and responsibilities, in combination of the business performance of the Company, units and individuals. Meanwhile, through the salary survey, the Company offers raise subject to the pay level in the market, economic trends and personal performance, in order to maintain the overall competitiveness of salary and rewards. (2) In accordance with the Company's Articles of Incorporation, if the Company records a profit for the year, it shall allocate no less than 2% as employee remuneration, of which no less than 50% shall be distributed to entry-level employees.	

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
	✓		5. **Employee Retirement Protection**: The Company administers employee retirement matters in accordance with the "Labor Standards Act" and the "Labor Pension Act." **Old Labor Pension Scheme**: The Company contributes 2% of the total monthly salaries of employees covered under the old scheme to a designated account with the Bank of Taiwan as a pension reserve. Prior to the end of each year, the Company assesses whether the balance is sufficient to meet pension obligations for the following year. Currently, all employees under the old scheme are foreign mid-level migrant workers, representing 3.83% of the total workforce. (All other employees under the old scheme completed their seniority settlement as of September 30, 2021.) The recognized contribution under the old scheme for 2025 amounted to NT$49,746. **New Labor Pension Scheme**: Since July 2005, the Company has contributed 6% of each employee's monthly salary to the employee's individual pension account with the Bureau of Labor Insurance. Employees may also make voluntary contributions ranging from 0% to 6%. Total contributions under the new scheme for 2025 amounted to NT$4,573,322. As of the end of 2025, employees under the new scheme accounted for 69.4% of the Company's workforce, of whom 23 employees	

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?			made voluntary contributions, representing 18.11% of employees under the new scheme. 1. The workplace responsible person shall observe workers' operations from time to time, and ask for correction or improvement immediately upon discovery of any unsafe activities or conditions. 2. Portable electric hand tool safety management: place the tools at fixed locations and with fixed capacity. 3. Forklift safety management: check before starting operation 4. Stationary cranes (hoisting load over 3 metric tons): Check before starting operation, monthly regular check, and yearly check. 5. Arrangement of crane operator inspections for 2025. 6. EHS management personnel shall communicate the labeling, sign and hazard warning messages about hazardous chemicals, in accordance with the "GHS." 7. The contract for "operating environment monitoring" operations was awarded to a monitoring institution. In 2025, the contract was awarded once per six months. The Company also asked workers to wear effective soundproof protective gears, such as earplugs and earmuffs. 8. The purchase contracts for machine, appliances, equipment, materials, raw materials and person protective gears should be	

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
			held satisfying the Occupational Safety and Health Act, and related standards. 9. Assess the potential risks upon change of the operation, and take adequate measures. Meanwhile, workers shall understand and accept related educational training. 10. Inspect the contractors' safety and health management regulations in accordance with the Occupational Safety and Health Act per year, and make amendments if necessary, in response to the actual operations. 11. Inspect the compliance of various machine units with the safety and health operations from time to time. 12. Inspect whether the operators engage in any unsafe activities or are in an unsafe environment from time to time. 13. Check the fire protection equipment once per month. 14. Check the high-voltage electrical equipment and low-voltage electrical equipment once per month; weekly automatic inspection of machinery; inspect the safety and health operations on the site at least once per day. 15. Implement the general safety and health education for new employees. 16. Implement the in-service safety and health training. 17. Assignment of operational personnel to training programs	

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
			(initial training and refresher training). 18. Implement the safety and health training for operational supervisors, occupational safety and health personnel and committees. 19. Purchase of emergency response equipment and protective equipment; regular check, maintain and care the personal protective equipment. 20. New employees' physical examination, and in-service personnel's health checkup once per year. 21. Purchase of first-aid kits and check on the emergency medication on a monthly basis. 22. Implement the labor hygiene awareness campaign in response to the government's policy, e.g., posting posters, comic story and slogans at eye-catching positions, and update them from time to time to promote the safety awareness. 23. Communicate with laborers for their opinions on work, improve work efficiency; collect occupational safety and health messages on related websites; attend the courses organized by labor inspection units. 24. Implementation of emergency response drills: relevant procedures have been established for abnormal incident handling, accident response, and disaster response.	

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
			25. Investigate, handle and gather statistics on occupational accidents, false alarms, and incidents affecting physical and mental health every month. 26. Strengthen the implementation of labor hygiene and disaster mitigation campaign in response to the government's policy, and publish the information about the latest labor safety and health policies in a timely manner at eye-catching positions. 27. Supervisors shall communicate the safety awareness and other safety and health promotion matters when staff are gathered for work in the day and swing shifts. 28. The Company is committed to a smoke-free environment and promotion of health at workplace. Meanwhile, the Company has received the Healthy Workplace Certification - Badge of Accredited Healthy Workplace - Health Activation Label and Health Promotion Label. 29. In 2025, the Company recorded zero employee injury incidents, with zero persons affected (representing 0% of the total workforce in 2025). The Company plans to strengthen the safety protective equipment and education & training program arrangement, in order to ensure colleagues' personal safety in work. 30. In 2025, the Company recorded zero fire incidents, with zero	

<table>
<tr><th rowspan="2">Promotional items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>casualties (representing 0% of the total workforce in 2025). Relevant improvement measures in response to fire: Not applicable.
31. Identification of fire risks under unfavorable scenarios and key feasible mitigation measures:
<table><tr><th>Fire Risk Identification</th><th>Feasible mitigation measures</th></tr><tr><td>Fire incurred by overload of electricity gas/electric panel</td><td>Electricity-leakage circuit breakers, carbon dioxide, dry powder fire extinguishers, and fire alarm switchboard have been installed, so that workers at the factory premises can operate fire extinguishers at the very beginning, or activate emergency response measures (refuge, evacuation and first aid) if it is impossible to extinguish the fire.</td></tr><tr><td>Liner burning caused by overheating of the shearing machine heater.</td><td>The machine is equipped with dry chemical and carbon dioxide fire extinguishers. Personnel can put out the fire at the very beginning, and activate emergency response measures (refuge, evacuation and first aid) if it is impossible to extinguish the fire.</td></tr><tr><td>Fire caused by falling spark during the electric welding operation.</td><td>The electric welding area is equipped with dry powder fire extinguishers. Personnel can put out the fire at the very beginning, and activate emergency response measures (refuge, evacuation and first aid) if it is impossible to extinguish the fire.</td></tr><tr><td>Arson (force majeure)</td><td>Fire alarm receiving system, emergency response measures (refuge, evacuation and</td></tr></table></td><td></td></tr>
</table>

<table>
<tr><th colspan="2" rowspan="2">Promotional items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="2"></td><td></td><td></td><td><table>
<tr><td></td><td>first aid), self-defense fire protection team, fire extinguishing equipment (dry chemical powder, carbon dioxide fire extinguisher, and fire hydrant).</td></tr>
<tr><td>Earthquake</td><td>Emergency response measures (refuge, evacuation and first aid), qualified first aid personnel, and emergency contact persons.</td></tr>
<tr><td>Others</td><td>Check the fire protection equipment (fire extinguishers, hydrants, emergency power generators and fire pumps) on a monthly basis, organize the fire drills in 1H and 2H of each year, check the heaters and electrical equipment on and off duty, check broadcasting and warning system testing, regularly check high-voltage and low-voltage circuit systems, and send security personnel to conduct the fixed-point inspection at nighttime.</td></tr>
</table></td><td></td></tr>
<tr><td>(IV)</td><td>Does the Company have an effective career capacity development training program established for employees?</td><td>✓</td><td></td><td>The Company plans complete competency training for managers and colleagues of various level, including orientation training, professional advanced training, and officers’ training, etc., to help colleagues continue to learn and grow through diversified learning methods, and implements training courses related to the belief and development of corporate ethics to cultivate the colleagues' key competencies. A total of 6,790 employee training attendances were completed in 2025, totaling 9,953.55 training hours.</td><td></td></tr>
<tr><td>(V)</td><td>Does the Company comply</td><td>✓</td><td></td><td>1. The marketing and labeling in all of the Company's products and</td><td></td></tr>
</table>

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
with laws and international standards with respect to customers' health, safety, and privacy, marketing and labeling in all products and services offered, and implement consumer or customer interest protection policies and grievance procedures?			services comply with the laws of Taiwan and the territories where the products and services are sold, or per customers' request. The Company has adopted its own personal data protection management system and policy to appoint each department manage and protect customers' privacy. Meanwhile, the Company also sets up the information security dedicated unit to protect customers' personal data jointly through the personal data internal audit, prevention of crisis, education & training and awareness promotion. 2. The Company posts the latest news, product information, and Tel. No. and email of persons-in-charge of various business lines on the Company's homepage. Meanwhile, the stakeholder communication channel is also set up, sot hat all stakeholders may file complaints or seek communication via said channel. Upon receipt of the information provided by the stakeholder, the Company will assign dedicated personnel to confirm or process the case and respond to the stakeholder within specific time limit. 3. In 2025, the Company had no violations of laws or regulations related to customer health and safety, customer privacy, marketing, or labeling in relation to its products and services.	
(VI) Does the Company adopt any specific supplier	✓		The Company values the protection of environment and society. Meanwhile, the Company engages in the awareness campaign for	

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how the policy is implemented?			external suppliers every year to urge them to act in response to the material environmental survey and perform the environmental evaluation at their factory premises, and also provides the suppliers with the "Supplier Material Environmental Survey Form." According to the government's existing policy, if any domestic supplier engages in activities affecting the environment and society, the supplier shall be fined or ordered to suspend business. Therefore, the Company doesn't include into its contract the terms stipulating that the contract may be terminated or rescinded any time. The agreement and contract executed by the Company with its foreign suppliers are handled in accordance with the local laws and regulations.	
V. Does the Company prepare sustainability report or any report of non-financial information based on international reporting standards or guidelines? Is said report assured or guaranteed by a third party certification unit?		✓	The Company has disclosed the critical and relevant corporate social responsibility information on the Company's website and the MOPS. The Company will prepare the sustainability report subject to the overview of operation or according to related laws and regulations.	The Company completed the filing of its 2024 Sustainability Report by the end of August 2025. Going forward, the Company will obtain assurance or verification

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
				opinions from independent third-party assurance providers as appropriate.

VI. If the Company has established its own sustainable development policies in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the current practices and any deviations thereof from such principles:
The Company has adopted its own “Sustainable Development Best Practice Principles” and also demanded that all colleagues should comply with, and commit to implement, the Principles.

VII. Other information useful to the understanding of sustainable practice:

1. The Company makes annual donations to the Yong-An Children’s Home, a private foundation in Kaohsiung, to support the physical, psychological, and personal development of children from disadvantaged or disrupted family backgrounds.
2. The Company donates fixed fund to Kaohsiung City Public Good Deeds and Charity Association on a yearly basis (to visit and assist the homeless elderly and loners who are not subsidized by any social welfare unit, and establish the public welfare carcass disposal team).
3. Reading Club for Kids in Rural Areas: On May 3, 2025, volunteers from the Company’s social welfare team led 30 teachers and students from Danlu Elementary School in Pingtung on a visit to the Dafa Plant. The group also boarded the “Zhan An No. 1” yacht to explore Kaohsiung Harbor and enjoyed lunch onboard. The program provided students from rural areas with the opportunity to experience the process and enjoyment of purchasing books, including a visit to the eslite spectrum Pier-2 Store to enrich their school

Promotional items	Implementation status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and causes thereof
	Yes	No	Summary	
library resources. 4. Special Educational Visit for Rural Schoolchildren: On November 29, 2025, volunteers from the Company's social welfare team led 28 teachers and students from Wan-An Elementary School in Pingtung on visits to the Dafa Plant and the Kaohsiung Main Public Library. The itinerary included lunch, a movie, and a visit to the eslite spectrum Kaohsiung Far Eastern Department Store, allowing students from rural areas to experience the joy of selecting books. The program aims to support students' long-term learning and development. 5. A total of 30 street trees in Dafa Industrial Park have been pruned and adopted, so that presence of Dafa Industrial Park became more tidy and beautiful.				

VIII. Climate-related information implementation:

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.</td><td>The Board of Directors is the supreme steering body responsible for reviewing and directing the Group's overall climate change strategies, action plans and annual goals. The "Sustainable Development Committee" reports the implementation plans and results to the Board of Directors on an annual basis.
In order to effectively manage climate-related risks and opportunities, the chairman of the "Sustainable Development Committee" has appointed a "sustainable environment team" as the dedicated unit engaged in the climate change-related management. The “sustainable development team” conducts rolling reviews on the internal sustainability promotion strategies and policies regularly, while gaining insight into the changes in external environment. When analyzing the Company's sustainability opportunities and risks, feedback may be provided to the Company's risk management level at the same time, and strategies and implementation progress are reported to the "Sustainable Development Committee" on a regular basis.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term).</td><td>The scope of impact covers the upstream, internal and downstream, segments and the time of occurrence of each risk is divided into: short-term less than 3 years, medium-term for 3-5 years, and long-term more than 5 years. Please refer to the following table for description.
<table>
<tr><th colspan="3">Major Climate Change Risks and Opportunities</th><th>Potential impact on business, strategy and finance</th><th>Responsive measures</th></tr>
<tr><td rowspan="2">Risk</td><td rowspan="2">Short-term</td><td>Increasing electricity bills</td><td>Increasing costs</td><td>Installation of solar power generation facilities and formulation of power-saving measures</td></tr>
<tr><td>Extreme weather affects transportation</td><td>● Increasing freight costs
● Impact on the delivery period of imported raw materials and exported commodities</td><td>● Pay attention to the weather and respond to it early
● Increase risk diversification by transport companies</td></tr>
</table>
</td></tr>
</table>

		Mid-term	Collection of carbon emission-related taxes at home and abroad	Increasing operating costs	Procurement of raw materials with lower carbon emissions and energy-saving equipment
			Natural resource price fluctuate and unstable supply of goods	Interruption in the raw material supply sources	Diversify suppliers to mitigate risks
		Long-term	Extreme weather affects raw material supply, production and sales	Affect the enterprise's normal operation	● Insurance claims ● Diversify suppliers and develop new customers ● Develop new business lines
	Opportunity	Short-term	Improve resource utilization efficiency	Reduce the costs	Conservation and efficient use of water, electricity and other resources
		Mid-term	Improvement of technology and equipment performance	Increasing capital expenditures and decreasing operating costs	Procurement of raw materials with lower carbon emissions and energy-saving equipment
			Acquisition of low-carbon raw materials		
		Long-term	Industrial transformation	Improve corporate competitiveness	Develop more diversified business models
3. Describe the financial impact posed by extreme climate events and transformation actions.	Under evaluation.				

4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company has established the "Sustainable Development Committee" chaired by the President. The Committee consists of the corporate governance team, sustainable environment team, social welfare team, and ethical management team. The corporate governance team is responsible for formulating, supervising and reviewing policies and management mechanism related to corporate governance and risk management. It is also responsible for coordinating relevant departments to perform risk identification, assessment, control and supervision, and regularly report the implementation status to the “Sustainable Development Committee.” The “Sustainable Development Committee” shall report the overall risk management implementation status to the Board of Directors at least once a year. Each relevant department assesses the possibility of occurrence of each risk factor and the level of impact subject to their functions, and formulate and implement necessary measures and manage various risks with care. Based on the risk management policy and risk assessment results, the internal auditors formulates the annual internal audit plan, executes various system audits according to the plan, and assists the Board of Directors in monitoring and controlling the potential risks over the execution of decisions to ensure that all operational risks are effectively controlled and suggestions for improvement may be proposed in a timely manner. The sustainable environment team of the Company's "Sustainable Development Committee" is the dedicated unit engaged in climate change-related management. The unit is responsible for collecting international reports and literature and issues of domestic and foreign industry peers' climate-related risks and opportunities, organizing education and training programs and internal discussions on climate risks and opportunities, assessing the potential impacts on the Company, and concluding the Company's major climate-related risks and opportunities, in order to enhance the Company's ability to respond to climate changes.
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be explained.	Under planning.

Item	Implementation status
6. If there is a transformation plan in response to the management of climate-related risks, describe the contents of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.	Under planning.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained.	Under planning.
8. If climate-related goals are set, the activities covered, scope of greenhouse gas emissions, planned schedule, and annual progress should be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve the goals, please explain the source and quantity of carbon offset credits or quantity of Renewable Energy Certificates (RECs) for which they are exchanged.	Under planning.
9. Greenhouse gas inventory and assurance status, as well as reduction targets, strategies and concrete action plans.	For the greenhouse gas inventory and assurance status, please refer to the following 1-1. For the greenhouse gas reduction targets, strategies and concrete action plans, please refer to the following 1-2.

1-1 The greenhouse gas inventory and assurance status in the most recent two years

1-1-1 GHG **Inventory** Information

In accordance with the Sustainability Roadmap for TWSE/TPEx-listed companies, Yuen Chang Stainless Steel Co., Ltd. has completed its greenhouse gas inventory since 2023, and the subsidiaries included in the Company's consolidated financial statements have completed their greenhouse gas inventories since 2025.

		2024		2025	
		Emissions volume (metric tons CO_2e)	Intensity (metric ton CO_2e/NTD million)	Emissions volume (metric tons CO_2e)	Intensity (metric ton CO_2e/NTD million)
Yuen Chang (The Company)	Scope 1	87.2717		86.2970	
	Scope 2	1,100.1671		1,065.4311	
	Subtotal	1,187.4388		1,151.7281	
Qiyi (Subsidiary)	Scope 1	3,734.75		4,118.17	
	Scope 2	25,541.60		23,918.72	
	Subtotal	29,276.35		28,036.89	
Total		30,463.7888	2.8431	29,188.62	2.8919
Yuen Chang (The Company)	Scope 3	500,663.4192		345,923.6560	-
Qiyi (Subsidiary)	Scope 3	114,427.51		83,088.51	-

Note: The intensity of greenhouse gas emission is calculated based on the turnover (NTD million).

1-1-2 GHG Inventory **Assurance** Information

According to the sustainable development roadmap for TWSE/TPEx-listed companies, Yuen Chang Stainless Steel Co., Ltd. has completed the greenhouse gas inventory since 2024. The Company's subsidiaries included in the consolidated financial statements will complete the greenhouse gas inventory since 2027.

Year	By company	Scope 1 (metric tons CO_2e)	Scope 2 (metric tons CO_2e)	Scope 3 (metric tons CO_2e)	Assurance institution	Description about the assurance status
2025	Yuen Chang (The Company)	86.2970	1,065.4311	345,923.6560	AFNOR Asia, Ltd.	Verified by an assurance provider in accordance with ISO 14064-3, Scope 1 and Scope 2 emissions are subject to reasonable assurance, while Scope 3 emissions are subject to limited assurance.
2024		87.2717	1,100.1671	500,663.4192	AFNOR Asia, Ltd.	Verified by an assurance provider in accordance with ISO 14064-3, Scope 1 and Scope 2 emissions are subject to reasonable assurance, while Scope 3 emissions are subject to limited assurance.

2025	Qiyi (Subsidiary)	The Company's subsidiaries in the consolidated financial statements will complete the greenhouse gas verification since 2027.
2024		

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

Base year and reduction targets for greenhouse gas:

1. The Company has been certified with the “ISO 14001” environmental management system and regularly obtains the certification.
2. For the carbon reduction targets, 2025 is set as the base year, to reduce carbon by 30% by 2030, 50% by 2040, and achieved net zero by 2050.
3. The motors of stationery crane trolley in plants are gradually equipped with frequency converters to achieve energy saving, and reduce the frequency of replacing lining in brakes.
4. Gradually replace company vehicles with electric vehicles.
5. Increase the use of self-generated renewable energy.
6. Periodically promote energy-saving and carbon reduction initiatives to employees.
7. Strengthen ongoing efforts to conserve water and value water resources.
8. Prioritize the procurement of energy-efficient certified products and progressively increase the proportion of green procurement.

Greenhouse Gas Reduction Strategy and Specific Action Plans:

1. Since 2022, the Company has conducted annual organizational greenhouse gas inventories in accordance with ISO 14064-1. Starting from 2023, the inventory results have been verified by an independent third party each year to ensure data quality.
2. The Company’s solar power installation has a total capacity of 1,923.16 kW, generating approximately 2.17 million kWh annually, equivalent to a reduction of approximately 1,030 metric tons of CO2e emissions.
3. In 2025, the Company plans to engage an energy management firm to conduct a comprehensive review of its energy usage, develop strategic energy-saving plans, and continuously improve energy performance.

(VI) Ethical management status, and deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof

Evaluation items	Actual governance			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
I. Establishment of ethical management policies and plans				No material deviation was found.
(I) Does the Company establish a set of board-approved business integrity policy, and stated in its Memorandum or external correspondence about the policies and practices it implements to maintain business integrity? Are the board of directors and the senior management committed to fulfilling this commitment?	✓		The Company has adopted its "Ethical Management Best Practice Principles" upon approval of the Board of Directors, and also published the same to all colleagues. The Board of Directors and management all commit to implement the same proactively.	
(II) Does the Company develop systematic practices for assessing integrity risks? Does the Company perform regular analyses and assessments on business activities that are prone to	✓		In reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and by taking into consideration the unethical conduct risk that might be encountered by the Company during operations, the Company's Ethical Management Promotion Taskforce set forth the "Ethical Management Best Practice Principles" including the prevention policy against the activities referred to in Paragraph 2, Article 7 of the "Ethical Corporate Management Best	

Evaluation items		Actual governance			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
		Yes	No	Summary	
	higher risk of dishonesty, and implement preventions against dishonest conducts that include at least the measures mentioned in Paragraph 2, Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?			Practice Principles for TWSE/TPEx Listed Companies."	
(III)	Does the Company define and enforce operating procedures, behavioral guidelines, penalties and grievance systems as part of its preventive measures against dishonest conducts? Are the above measures reviewed and revised on a regular basis?	✓		The Company has communicated the "Ethical Management Best Practice Principles" to all colleagues, and also set forth the operating procedure for prevention of unethical conduct . Meanwhile, the Company would perform the awareness campaign toward employees for education and training regularly. The Company will review whether it is necessary to amend said program regularly each year. The amendments, if any, will be submitted to the Board of Directors for approval.	

Evaluation items	Actual governance			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
II. Implementation of ethical management				No material deviation was found.
(I) Does the Company evaluate the integrity of all trading counterparts it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		Prior to engaging in any commercial transactions, the Company will take into consideration the legality of its agents, suppliers, customers or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved. When entering into contracts with the agents, suppliers, customers or other trading counterparties, the Company may at any time terminate or rescind the contractual terms and conditions, in the event the trading counterparties are involved in unethical conduct.	
(II) Does the Company establish a unit dedicated to promoting ethical corporate management under supervision of the Board of Directors which shall be responsible for reporting the status of	✓		1. The convener of the Company's Ethical Management Taskforce is Administration Department, which is responsible for assisting the Board of Directors and management in formulation and supervision on execution of the ethical management policies and unethical conduct prevention programs, in order to ensure the implementation of Ethical Management Best Practice Principles. It shall also report the implementation status in the previous to the Board of Directors.	

Evaluation items		Actual governance			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
		Yes	No	Summary	
	implementation of the ethical management policy and unethical conduct prevention program to the Board of Directors periodically (at least for once per year)?			The handling status for 2025 was submitted to the Board of Directors and reported at the board meeting held on March 10, 2026. 2. In order to prevent the conflict of interest and provide adequate channels to provide explanation, the Company has adopted its own "Ethical Management Best Practice Principles" and "Measures for the Report on Illegal and Unethical or Dishonest Conducts." 3. The Company has effectively implemented its ethical corporate management policy. The relevant implementation status for 2025 is as follows: (1) The Ethical Management Taskforce organized the awareness and education & training campaign for employees' ethics and insider trading for a total of 17.52 hours in 2025. (2) The Company's whistleblowing mailbox: 0 incident was reported in 2025; the HR whistleblowing mailbox: 0 incident was reported in 2025.	
(III)	Does the Company have any policy that prevents conflict	✓		The Company has adopted the "Ethical Management Best Practice Principles" to prevent the conflict of interest, and also set up adequate	

Evaluation items	Actual governance			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
of interest, and channels that facilitate the report of conflicting interests?			channels to provide explanation.	
(IV) Does the Company implement effective accounting policy and internal control system to maintain business integrity? Has an internal audit unit been assigned to devise audit plans based on the outcome of integrity risk assessment, and to audit employees' compliance with various preventions against dishonest conduct?	✓		The Board of Directors shall exercise the due diligence as a good administrator to urge the Company to prevent any unethical conduct, and shall also review the compliance with the accounting system and internal control system, in order to continue following up and improve the same to ensure the implementation of the ethical management policy. The Company's Audit Department conducts various audits per the annual audit plans upon risk assessment, and reports the audit results to the Board of Directors.	
(V) Does the Company organize internal or external training on	✓		The Company organizes the internal education and training program periodically or sends its staff to attend related programs organized by the	

Evaluation items	Actual governance			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
a regular basis to maintain business integrity?			competent authority.	
III. Implementation of the Company's whistleblowing system (I) Does the Company provide incentives and means for employees to report misconducts? Does the Company assign dedicated personnel to investigate the reported misconducts? (II) Does the Company implement any standard procedures for handling reported misconducts and related confidentiality measures?	✓ ✓		The Company has adopted the "Measures for the Report on Illegal and Unethical or Dishonest Conducts," which set out the specific reporting channels and responsible units as follows: 1. Whistleblowing channels (1) The Company's website includes a Stakeholder Service Section (https://www.yuenchang.com.tw/zh-TW/stakeholder), which provides dedicated email channels for various stakeholders and is accessible to both internal and external parties. (2) A Corporate Social Responsibility mailbox has also been established: ESG@yuenchang.com.tw 2. Responsible units (1) Spokesperson: Responsible for handling reports from shareholders, investors, and other stakeholders. (2) Internal Audit Unit: Responsible for handling reports from internal employees, customers, suppliers, and underwriters.	No material deviation was found.

Evaluation items	Actual governance			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
(III) Does the Company have taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	✓		3. Designated personnel for case handling The reported cases involving the general employees shall be submitted by the handling units to the department heads. Those involving directors or senior management shall be submitted to independent directors. 4. Protection of whistleblowers Personnel of the Company handling whistleblowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential. The Company also undertakes to protect the whistleblowers from improper treatment due to their whistleblowing. According to the "Working Rules", the Company grants merits to those who whistleblow misconduct or cases impairing the Company's interest as reward.	
IV. Enhanced information disclosure Does the Company disclose the contents of its ethical management best practice	✓		The Company has disclose the contents of its ethical management best practice principles and the result of implementation on its official website and MOPS. The Company's official website is at	No material deviation was found.

Evaluation items	Actual governance			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and causes thereof
	Yes	No	Summary	
principles and the result of implementation on its official website and MOPS?			http://www.yuenchang.com.tw.	
V. If the Company has established its own sustainable development policies in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the current practices and any deviations thereof from such principles: The Company's ethical management strictly complies with the Principles adopted by it.				
VI. Other information useful to the understanding of ethical corporate management (e.g., the Company reviews and amends the ethical management best practice principles established by it): The Company will at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, managers and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.				

(VII) Other information material to the understanding of corporate governance within the Company: Please visit the MOPS or the Company's website.

(VIII) Disclosures relating to the implementation of the internal control system:

1. Statement of Internal Control:

Yuen Chang Stainless Steel Co., Ltd.
Statement of Internal Control System

Date: March 10, 2026

The Company's internal control system for the year 2025, based on the results of its self-assessment, is hereby declared as follows:

I. The Company acknowledges and understands that establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers, and that such a system has already been established throughout the Company. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance, asset security etc.,), reliable, timely and transparent financial reporting, and regulatory compliance.

II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws were identified.

III. The Company evaluates the effectiveness of its internal control policy design and execution based on the criteria specified in "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria introduced by the "Regulations" consists of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.

IV. The Company has adopted the above-mentioned criteria to validate the effectiveness of its internal control design and execution.

V. Based on the aforementioned assessment results, the Company considers that, as of December 31, 2025, its internal control system (including the supervision and management of subsidiaries), covering the effectiveness and efficiency of operations, the reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and laws, has been properly designed and effectively implemented, and can reasonably assure the achievement of the aforementioned objectives.

VI. The Statement forms an integral part of the Company's annual report and prospectus, and shall be made public. Any illegal misrepresentation or concealment in the public statement above are subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement has been approved by the Board of Directors of the Company on March 10, 2026. Of the seven directors present, none expressed dissenting opinions, and all others approved the contents of this Statement.

Yuen Chang Stainless Steel Co., Ltd.

Chairman and President: Yen Te-Ho Seal/Signature

2. If the internal control system has been reviewed by an external auditor, the result of such review must be disclosed: None.

(IX) Major resolutions passed in shareholders' meetings and Board of Directors meetings in the most recent year until the date of publication of the annual report

1. Major resolutions of shareholders' meetings in 2025 and up to the date of publication of this annual report:

Name of Meeting	Date	Remark	
Annual General Meeting	May 27, 2025	1.	2024 Business report and financial statements.
		Implementation status	Approved as it is proposed.
		2.	2024 Earnings appropriation proposal.
		Implementation status	Approved as it is proposed.
		3.	Amendments to certain provisions of the Company's "Articles of Incorporation"
		Implementation status	The proposal was approved as presented and submitted to the Ministry of Economic Affairs on May 27, 2025. Approval was subsequently granted by the Ministry of Economic Affairs on September 22, 2025.

2. Major Resolutions of the Board of Directors Meetings:
Major resolutions of the Board of Directors in 2025 and up to the date of publication of this annual report

Name of Meeting	Date	Remark	
Board of Directors	March 6, 2025	1.	Issuance of the 2024 Statement of Internal Control.
		2.	The Company's periodic evaluation on the independence of external auditors.
		3.	Proposal for the appointment and remuneration of the external auditors for 2025.
		4.	2024 Business report and financial statements.
		5.	2024 Earnings appropriation proposal.
		6.	Amendments to the Company's plan to make endorsement/guarantee for the agreement on and renewal of facility of the subsidiary, Ningbo Qiyi Precision Metals Co., Ltd. (hereinafter referred to as "Qiyi"), with various financial institutions in 2025.
		7.	Amendments to certain provisions of the "Internal Control System" and "General Provisions of Internal Audit System and Enforcement Rules thereof."
		8.	Proposal for 2024 year-end bonuses for managerial officers.
		9.	Proposal for the distribution of employee and director remuneration for 2024.
		10.	Amendments to certain provisions of the "Articles of Incorporation"
		11.	Convention of the Company's 2025 annual general meeting.
Board of Directors	April 10, 2025	1.	Procurement of equipment by the subsidiary, Ningbo Qiyi Precision Metals Co., Ltd.
		2.	Proposal for the change of the Company's internal auditing officer.
Board of Directors	May 8, 2025	1.	The Company's Q1 2025 consolidated financial statements.
Board of Directors	May 27, 2025	1.	Proposal to amend the Company's arrangements for financing facilities to be negotiated with certain financial institutions in 2025
		2.	Amendments to the Company's plan to make endorsement/guarantee for the agreement on and renewal of facility of the subsidiary, Ningbo Qiyi Precision Metals Co., Ltd.

Name of Meeting	Date	Remark	
			(hereinafter referred to as “Qiyi”), with various financial institutions in 2025.
		3.	Amendments to certain provisions of the “Operating Procedures of Sustainability Report Preparation and Assurance.”
Board of Directors	August 7, 2025	1.	The Company’s Q2 2025 consolidated financial statements.
		2.	The Company's 2024 Sustainability Report.
		3.	Proposal to amend the Company’s plan to provide endorsements and guarantees for its subsidiary Ningbo Qiyi Precision Metals Co., Ltd. (hereinafter referred to as “Ningbo Qiyi”) in connection with financing facilities to be arranged with certain financial institutions in 2025.
		4.	Amendments to certain provisions of the “Internal Control System” and “General Provisions of Internal Audit System and Enforcement Rules thereof.”
		5.	Amendments to the Company's “Regulations Governing Handling of Reported Cases Against Illegal and Unethical Conduct or Dishonest Conduct.”
		6.	Periodic review on the salary and remuneration to directors and managerial officers.
		7.	Proposal for the distribution of 2024 employee remuneration to managerial officers and directors with employee status.
Board of Directors	September 26, 2025	1.	Procurement of equipment by the subsidiary, Ningbo Qiyi Precision Metals Co., Ltd.
Board of Directors	November 11, 2025	1.	The Company’s Q3 2025 consolidated financial statements.
		2.	Amendment to the proposal for the Company to provide endorsements and guarantees for its subsidiary Ningbo Qiyi Precision Metals Co., Ltd. (hereinafter referred to as “Qiyi”) in connection with financing facilities to be arranged with certain financial institutions and the extension of such facilities in 2025.
		3.	Amendments to certain provisions of the “Sustainable Development Best Practice Principles”
Board of Directors	December 24, 2025	1.	Submission of the Company’s 2026 business plan.
		2.	Submission of the Company’s 2026 audit plan.
		3.	Proposal for the addition and extension of financing facilities to be arranged with various financial institutions in 2026.
		4.	Proposal for the Company to provide endorsements and

Name of Meeting	Date	Remark	
			guarantees for its subsidiary Ningbo Qiyi Precision Metals Co., Ltd. (hereinafter referred to as "Qiyi") in connection with financing facilities to be arranged with various financial institutions and the extension of such facilities in 2026.
		5.	Proposal for Ningbo Qiyi Precision Metals Co., Ltd., a subsidiary, to apply for an extension of the disposal period for company-owned real estate and to adjust the disposal price.
Board of Directors	March 10, 2026	1.	Issuance of the 2025 Statement of Internal Control.
		2.	Periodic evaluation on the independence of external auditors.
		3.	The Company's change of CPAs due to the internal job rotation of the CPA Firm.
		4.	Proposal for the appointment and remuneration of the external auditors for 2026.
		5.	2025 Business report and financial statements.
		6.	Ratification of the Company's derivatives trading.
		7.	Proposal to amend the Company's plan to provide endorsements and guarantees for its subsidiary Ningbo Qiyi Precision Metals Co., Ltd. (hereinafter referred to as "Ningbo Qiyi") in connection with financing facilities to be arranged with certain financial institutions in 2026.
		8.	Proposal for 2025 year-end bonuses for managerial officers.
		9.	Proposal for the distribution of employee and director remuneration for 2025.
		10.	Re-election of the whole directors
		11.	Operating procedure for and criteria for review on acceptance of nomination by directors
		12.	Termination of the non-competition restrictions imposed on new directors and their representatives
		13.	Convention of the Company's 2026 annual general meeting.

(X) The main contents of important resolutions of the Board passed but with directors or supervisors voicing opposing opinions on the record or in writing in the most recent year until the date of publication of the annual report: None.

IV. Information about CPA's audit fee

Unit: NTD thousand

Name of CAP Firm	Name of CPA	Audit Period	Audit fee	Non-audit fee	Total	Remark
Deloitte Taiwan	Hsu Kai-Ning Chang Tzu-Yuan	January 1 to December 31, 2025	3,500	-	3,500	Note (1)

Note (1): Due to internal personnel reassignments within the CPA firm, the Company's financial statements were originally audited by CPA Hsu Kai-Ning and CPA Chang Tzu-Yuan. Starting from the first quarter of 2026, CPA Chang Tzu-Yuan and CPA Liu Cheng-Han have been appointed as the successor auditors.

(I) If a change of CPA firm results in a lower audit fee for that year compared to the previous year: None.

(II) If the audit fee was reduced by more than 10% from the previous year: None.

V. Replacement of CPA:

(I) Information relating to the former CPA

<table>
<tr><td>Date of Replacement</td><td colspan="4">Approved by the Board of Directors on March 10, 2026</td></tr>
<tr><td>Cause of replacement and remark</td><td colspan="4">Due to internal personnel reassignments within the CPA firm, the Company's financial statements were originally audited by CPA Hsu Kai-Ning and CPA Chang Tzu-Yuan. Starting from the first quarter of 2026, CPA Chang Tzu-Yuan and CPA Liu Cheng-Han have been appointed as the successor auditors.</td></tr>
<tr><td rowspan="3">To specify whether the client or CPA terminates or rejects the appointment</td><td colspan="2">Contracting parties / Status</td><td>CPA</td><td>Client</td></tr>
<tr><td colspan="2">Voluntary termination of the appointment</td><td colspan="2" rowspan="2">Not applicable</td></tr>
<tr><td colspan="2">No longer accept (continue) the appointment</td></tr>
<tr><td>Issuance of the audit report other than the audit report containing unqualified opinions, and causes thereof</td><td colspan="4">Not applicable</td></tr>
<tr><td rowspan="4">Disagree with the Company?</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial report</td></tr>
<tr><td></td><td colspan="2">Scope or steps of audit</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
</table>

	None	
	Remark: N/A.	
Other disclosures (To be disclosed under subparagraphs 6.1(4)–(7) of Article 10 of the Regulations.)	None	

(II) About the succeeding CPA

Name of CPA firm	Deloitte Taiwan
Name of CPA	Liu Cheng-Han
Date of appointment	Approved by the Board of Directors on March 10, 2026
Consultation about the accounting treatment of or application of accounting principles to a specific transaction or the type of audit opinion that might be rendered prior to the formal engagement, and the consultation result.	Not applicable
Written opinion from the succeeding CPA regarding the matters disagreed by the former CPA	Not applicable

(III) The former CPA's response to the items referred to in Subparagraphs 6 (1) and (2) 3 of Article 10 of the Regulations: N/A.

VI. The Company's Chairman, General Manager or managerial officers in charge of financial or accounting operations being employed by the external auditor’s firm or any of its affiliated company within the most recent year: None.

VII. Any transfer of equity interest and pledge of or change in equity interest by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent in the most recent year and until to the date of publication of the annual report:

(I) Any transfer of equity interest and pledge of or change in equity interest by a director, supervisor, manager shareholder with a stake of more than 10 percent

Changes of the equity of directors, managerial officers and major shareholders:

Unit: shares

Job Title	Name	2025		As of March 29, 2026		Remark
		Increase (decrease) in shares held	Increase (decrease) in Shares Pledged	Increase (decrease) in shares held	Increase (decrease) in Shares Pledged	
Directors and managerial officers	Yen Te-Ho	(300,000)	-	-	-	
Director	Yen The-Wei	11,000	-	-	-	
Directors and major shareholders	Yuji Investment Co., Ltd.	-	-	-	-	
Representative of director, and manager	Chang Yun-Ching	260,000	-	-	-	
Independent director	Chen Chih-Cheng	-	-	-	-	
Independent director	Pan Yung-Shan	-	-	-	-	
Independent director	Tu Chin-Hsiang	-	-	-	-	
Independent director	Liu Hsin-Hung	8,000	-	-	-	
Manager	Yeh Mei-Yun	(260,000)	-	-	-	
Manager	Wu Huang-Yen	-	-	-	-	
Manager	Huang Ying-Hsueh	-	-	-	-	
Manager	Chu Pei-Chen	36,857	-	-	-	
Manager	Yen Po-Chien	-	-	-	-	

(II) Information about the counterparty of transfer of shares as a related party

Name	Cause of transfer of equity	Trading Date	Trading Counterparty	Relationship between the trading counterparty and the Company's directors, managerial officers and shareholders with more than 10% shareholding	Shares	Trading price
Yen Te-Ho	Endowment	August 27, 2025	Yen Shao-Chen	Lineal relative by blood	100,000	14.15
Yen Te-Ho	Endowment	August 27, 2025	Yen Yi-Chen	Lineal relative by blood	100,000	14.15
Yen Te-Ho	Endowment	August 27, 2025	Yen Yun-Chen	Lineal relative by blood	100,000	14.15
Yeh Mei-Yun	Endowment	August 27, 2025	Chang Yun-Ching	Relatives within the second degree of kinship	260,000	14.15

(III) Information about the counterparty of pledge of shares as a related party: None.

VIII. Disclosure of relationship, such as related party, spouse or relative within the second degree of kinship, among the top ten shareholders in terms of shareholding ratio

Disclosure of relationship among the top ten shareholders

March 29, 2026; Unit: shares; %

Name	Shares held in own name		Shareholding by spouse or dependents		Shares held in the name of a third party		If there is relationship, such as related party, spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship.		Remark
	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding	Designation (or Name)	Affiliation	
Yuji Investment Co., Ltd. Representative: Yen Po-Chien	37,731,750	22.68	-	-	-	-	Run Yang Investment Co., Ltd.	Relatives within 2nd degree of kinship among the company responsible persons	
							Yen Te-Ho, Yeh Mei-Yun and Yen Shih-Hang	Relatives within the second degree of kinship	
Run Yang Investment Co., Ltd. Representative: Yen Shih-Hang	7,758,719	4.66	-	-	-	-	Yuji Investment Co., Ltd.	Relatives within 2nd degree of kinship among the company responsible persons	
							Yen Te-Ho, Yeh Mei-Yun and Yen Po-Chien	Relatives within the second degree of kinship	
Yen Te-Ho	6,315,568	3.80	5,155,200	3.10	-	-	Yuji Investment Co., Ltd. and Run Yang Investment Co., Ltd.	Relatives within 2nd degree of kinship among the company responsible persons	
							Yeh Mei-Yun, Chan Yen Su-Chen, Yen Sheng-Wen, Yen Po-Chien, Yen Shih-Hang, Hsiao Shu-Chin and Yeh Li-Yun	Relatives within the second degree of kinship	

Name	Shares held in own name		Shareholding by spouse or dependents		Shares held in the name of a third party		If there is relationship, such as related party, spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship.		Remark
	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding	Designation (or Name)	Affiliation	
Yeh Mei-Yun	5,155,200	3.10	6,315,568	3.80	-	-	Yuji Investment Co., Ltd. and Run Yang Investment Co., Ltd.	Relatives within 2nd degree of kinship among the company responsible persons	
							Yeh Te-Ho, Chan Yen Su-Chen, Yen Sheng-Wen, Yen Po-Chien, Yen Shih-Hang, Hsiao Shu-Chin and Yeh Li-Yun	Relatives within the second degree of kinship	
Yeh Li-Yun	4,000,000	2.40	-	-	-	-	Yen Te-Ho and Yeh Mei-Yun	Relatives within the second degree of kinship	
Chan Yen Su-Chen	3,229,455	1.94	-	-	-	-	Yen Te-Ho, Yeh Mei-Yun, Yen Sheng-Wen and Hsiao Shu-Chin	Relatives within the second degree of kinship	
Yen Shih-Hang	2,953,492	1.78	-	-	-	-	Yuji Investment Co., Ltd.	Relatives within 2nd degree of kinship among the company responsible persons	
							Yen Te-Ho, Yeh Mei-Yun and Yen Po-Chien	Relatives within the second degree of kinship	
Hsiao Shu-Chin	2,389,113	1.44	-	-	-	-	Chan Yen Su-Chen, Yen Te-Ho, Yen Sheng-Wen, Yen Ya-Hui and Yeh Mei-Yun	Relatives within the second degree of kinship	
Yen Ya-Hui	2,280,716	1.37	-	-	-	-	Hsiao Shu-Chin	Relatives within the second degree of kinship	
Yen Sheng-Weng	2,162,621	1.30	-	-	-	-	Chan Yen Su-Chen, Yen Te-Ho, Yeh Mei-Yun and Hsiao Shu-Chin	Relatives within the second degree of kinship	

IX. Number of shares held by the Company, and the Company's directors, supervisors and managerial officers, and the entities directly or indirectly controlled by the Company in a single investee, and consolidated shareholding percentage of the above categories

Consolidated shareholding percentage

December 31, 2025; Unit: thousand shares

Investee	Investment by the Company		Investments by directors, supervisors, managerial officers, and entities controlled directly or indirectly		Comprehensive investment	
	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding
QIYI PRECISION METALS CO.,LTD	48,000	100%	-	-	48,000	100%
Surewin Global Limited (HK)	-	-	32,000	100%	32,000	100%
Ningbo Qiyi Precision Metals Co., Ltd.	-	-	Note	100%	Note	100%

Note: As Ningbo Qiyi Precision Metals Co., Ltd. is a limited company, it doesn't issue shares.

Three. Funding Status

I. Capital and Shares

(I) Source of Capital

1. Formation of capital stock:

April 30, 2026; Unit: shares; NT$

Year / month	Issue price (NT$)	Authorized capital		Paid-in Capital Stock		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Offset share capital via properties other than cash	Others
1987/07	Note	Note	1,000,000	100	1,000,000	Capital stock for incorporation in cash	None	Note 1
1988/03	Note	Note	5,000,000	500	5,000,000	Cash capital increase by NT$4,000 thousand	None	Note 2
1991/08	Note	Note	10,000,000	1,000	10,000,000	Cash capital increase by NT$5,000 thousand	None	Note 3
1992/09	10,000	2,000	20,000,000	2,000	20,000,000	Cash capital increase by NT$10,000 thousand	None	Note 4
1994/12	10,000	4,000	40,000,000	4,000	40,000,000	Cash capital increase by NT$20,000 thousand	None	Note 5
1996/09	10,000	6,000	60,000,000	6,000	60,000,000	Cash capital increase by NT$20,000 thousand	None	Note 6
1997/11	10,000	9,000	90,000,000	9,000	90,000,000	Cash capital increase by NT$30,000 thousand	None	Note 7
1999/09	10,000	13,200	132,000,000	13,200	132,000,000	Cash capital increase NT$42,000 thousand	None	Note 8
2000/07	10,000	19,800	198,000,000	19,800	198,000,000	Cash capital increase by NT$66,000 thousand	None	Note 9
2004/06	10	26,868,000	268,680,000	26,868,000	268,680,000	Cash capital increase by NT$70,680 thousand	None	Note 10
2005/09	10	31,968,000	319,680,000	31,968,000	319,680,000	Recapitalization of earnings by NT$51,000 thousand	None	Note 11
2007/04	10	38,000,000	380,000,000	38,000,000	380,000,000	Cash capital increase by NT$3,320 thousand Recapitalization of earnings by NT$57,000 thousand	None	Note 12
2008/04	10	48,000,000	480,000,000	48,000,000	480,000,000	Cash capital increase by NT$100,000 thousand	None	Note 13
2008/10	10	50,000,000	500,000,000	50,000,000	500,000,000	Cash capital increase by NT$20,000 thousand	None	Note 14
2011/10	19	110,000,000	1,100,000,000	110,000,000	1,100,000,000	Cash capital increase by NT$600,000 thousand	None	Note 15
2015/10	10	160,000,000	1,600,000,000	112,156,000	1,121,560,000	Recapitalization of earnings NT$21,560 thousand	None	Note 16
2016/05	17.5	160,000,000	1,600,000,000	124,310,000	1,243,100,000	Cash capital increase by NT$121,540 thousand	None	Note 17
2016/12	10	160,000,000	1,600,000,000	122,110,000	1,221,100,000	Cancellation of treasury stocks NT$22,000 thousand	None	Note 18
2017/03	17.2	160,000,000	1,600,000,000	127,167,976	1,271,679,760	Conversion of corporate bonds into shares NT$50,579,760	None	Note 19

Year / month	Issue price (NT$)	Authorized capital		Paid-in Capital Stock		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Offset share capital via properties other than cash	Others
2017/05	17.2	160,000,000	1,600,000,000	132,917,860	1,329,178,600	Conversion of corporate bonds into shares NT$57,498,840	None	Note 20
2017/08	17.2	160,000,000	1,600,000,000	133,970,169	1,339,701,690	Conversion of corporate bonds into shares NT$10,523,090	None	Note 21
2017/11	16.1	160,000,000	1,600,000,000	140,582,988	1,405,829,880	Conversion of corporate bonds into shares NT$66,128,190	None	Note 22
2018/04	16.1	160,000,000	1,600,000,000	141,235,151	1,412,351,510	Conversion of corporate bonds into shares NT$6,521,630	None	Note 23
2018/06	16.1	160,000,000	1,600,000,000	141,937,001	1,419,370,010	Conversion of corporate bonds into shares NT$7,018,500	None	Note 24
2018/08	16.1	160,000,000	1,600,000,000	142,582,951	1,425,829,510	Conversion of corporate bonds into shares NT$6,459,500	None	Note 25
2018/10	20	160,000,000	1,600,000,000	152,582,951	1,525,829,510	Cash capital increase by NT$100,000 thousand	None	Note 26
2018/11	15	160,000,000	1,600,000,000	153,046,111	1,530,461,110	Conversion of corporate bonds into shares NT$4,631,600	None	Note 27
2019/04	15	160,000,000	1,600,000,000	154,166,101	1,541,661,010	Conversion of corporate bonds into shares NT$11,199,900	None	Note 28
2019/05	15~27	160,000,000	1,600,000,000	156,386,836	1,563,868,360	Conversion of corporate bonds into shares NT$22,207,350	None	Note 29
2021/12	28	220,000,000	2,200,000,000	166,386,836	1,663,868,360	Cash capital increase by NT$100,000 thousand	None	Note 30

Note: No information about the number of shares is available, as it is not a company limited by shares.

Note 1: Approval letter under Jian-She-II-Zi No. 86310.

Note 2: Approval letter under Jian-She-II-Zi No. 11630001.

Note 3: Approval letter under Jian-She-II-Zi No. 17245700.

Note 4: Approval letter under Jian-She-II-Zi No. 09991501.

Note 5: Approval letter under Kaohsiung City Jian-She-III-Zi No. 474506.

Note 6: Approval letter under Kaohsiung City Jian-She-III-Zi No. 226301.

Note 7: Approval letter under Kaohsiung City Jian-She-III-Zi No. 258166.

Note 8: Approval letter of the MOEA under (088) Shang-Zi No. 088132552 dated September 1, 1999.

Note 9: Approval letter of the MOEA under Jin-(089)-Shang-Zi No. 089123690 dated July 17, 2000.

Note 10: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 09300878470 dated June 30, 2004.

Note 11: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 09400604930 dated September 27, 2005.

Note 12: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 09600523690 dated April 27, 2007.

Note 13: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 09700501830 dated April 14, 2008.

Note 14: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 09701256240 dated October 9, 2008.

Note 15: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10001241810 dated October 19, 2011.

Note 16: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10401229530 dated October 30, 2015

Note 17: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10501102340 dated May 25, 2016.

Note 18: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10501275940 dated December 15, 2016.

Note 19: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10601026210 dated March 1, 2017.

Note 20: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10601063770 dated May 17, 2017.

Note 21: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10601120220 dated August 29, 2017.

Note 22: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10601158940 dated November 29, 2017.

Note 23: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10701033270 dated April 2, 2018.

Note 24: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10701053720 dated June 6, 2018.

Note 25: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10701106670 dated August 30, 2018.

Note 26: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10701131070 dated October 17, 2018.

Note 27: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10701144760 dated November 27, 2018.

Note 28: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10801038770 dated April 15, 2019

Note 29: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 10801061510 dated May 28, 2019.

Note 30: Approval letter of the MOEA under Jin-Shou-Shang-Zi No. 11001207150 dated December 3, 2021.

2. Capital Stock Categories:

March 29, 2026; Unit: shares

Share Categories	Authorized capital					Remark
	Outstanding shares			Unissued shares	Total	
	TWSE/ TPEx-listed	Non-TWSE/ TPEx-listed	Total			
Ordinary shares	166,386,836	-	166,386,836	53,613,164	220,000,000	

3. Information related to the shelf registration: None.

(II) List of Major Shareholders

Shareholders with a shareholding ratio of 5% or more, or the shareholding stake thereof is on the top 10 list

March 29, 2026; Unit: shares, %

Shares / Name of major shareholder	Quantity of Shares Held	Shareholding Percentage (%)
Yuji Investment Co., Ltd.	37,731,750	22.68%
Run Yang Investment Co., Ltd.	7,758,719	4.66%
Yen Te-Ho	6,315,568	3.80%
Yeh Mei-Yun	5,155,200	3.10%
Yeh Li-Yun	4,000,000	2.40%
Chan Yen Su-Chen	3,229,455	1.94%
Yen Shih-Hang	2,953,492	1.78%
Hsiao Shu-Chin	2,389,113	1.44%
Yen Ya-Hui	2,280,716	1.37%
Yen Sheng-Weng	2,162,621	1.30%

(III) Dividend policy and execution status

1. Dividend Policy:
   The Company's dividend policy is set forth in response to the current and future development plan and by taking into consideration the investment environment, funding needs and domestic/foreign competition, as well as shareholders' equity. The Company may distribute no less than 20% of the distributable earnings generated in the current year as the shareholder dividend and bonus in that year. The shareholder dividend and bonus may be allocated in cash or in the form of stock, provided that the cash dividend allocable shall be no less than 20% of the total dividends.
2. The distribution of dividends proposed (resolved) this year:
   (1) The Company's 2024 earnings distribution proposal was approved at the annual general meeting of shareholders held on May 27, 2025, with a proposed cash dividend of NT$0.90 per share. Where the changes in the Company's capital stock, if any, affect the number of outstanding shares and thereby cause changes the payout ratio, in which case certain correction is needed, the Chairman shall be authorized by a shareholders' meeting to deal with it with full power.
   (2) On April 16, 2026, the Board of Directors approved the 2025 earnings distribution proposal, with a proposed cash dividend of NT$1.00 per share.
   (3) The Chairman of Board is authorized to determine the ex-dividend date of cash dividends, once the proposal has been resolved by the shareholders' meeting. The amount of cash dividend distributed to individual shareholders will be truncated to the nearest dollar. Fractional amounts of less than NT$1 will be rounded up as dollars. The price difference, if any, shall be stated as the Company's expenses.
3. Expected significant changes in the dividend policy: N/A.

(IV) Impacts posed by the proposed bonus shares on the Company's business performance and earnings per share.

Not applicable, as the Company doesn't prepare or publish any financial forecast, or distribute any bonus shares.

(V) Remuneration to employees and directors

1. The percentages or ranges with respect to remuneration to employees and directors, as set forth in the Company's Articles of Incorporation:
   Subject to the profit sought for the current year, the Company shall allocate no less than 2% of the profit as the remuneration to employees. The Board of Directors may resolve to distribute the remuneration in the form of stock or in cash, and the receivers of such stock dividend or cash dividend shall include employees of associates that meet certain conditions. The Board of Directors may also resolve to no more than 2% of said profit as the remuneration to directors. The remuneration to directors may be allocated in cash only and shall be resolved subject to approval of a majority of the directors attending a meeting of the Board of Directors at which at least two-third of directors are present, and reported to a shareholders' meeting. In the employee remuneration ratio mentioned in the preceding paragraph, no less than 50% of the remuneration shall be distributed to the entry-level employees.
   However, the profit must first be taken to offset against the Company's cumulative losses, if any, and then the remuneration to employees and directors may be allocated subject to the proportions referred to in the preceding paragraph.
2. The basis for estimating the amount of remuneration to employees and directors, for calculating the number of shares to be distributed as the stock dividends, and the accounting treatment of the discrepancy, if any, between the actual distributed amount

and the estimated figure, for the current period:

The remuneration to employees and directors is based on the estimate by the management. If the actual distributed amount resolved by a shareholders' meeting is different from the estimate materially, the difference shall be treated as the income of next year.

3. Distribution of remuneration approved by the Board of Directors:
   (1) Remuneration to employees and directors distributed in cash or in shares. If there is any discrepancy between the recognized amount and estimated amount, the discrepancy, cause and treatment shall be disclosed:

   On March 10, 2026, the Board of Directors resolved to allocate employee remuneration of 2%, amounting to NT$5,110 thousand, and directors' remuneration of 0.35%, amounting to NT$893 thousand, both to be distributed in cash.
   (2) Percentage of remuneration to employees paid in shares as resolved, relative to net income and total remuneration to employees shown in the parent company only or individual financial statements:

   No remuneration to employees has been paid in shares.
4. Actual payment of the remuneration to employees and directors in the previous year (including the number of shares allocated, the sum of cash paid, and the price at which shares were issued) and any differences from the figures estimated (explain the amount, the cause, and treatment of such discrepancies):

   At the board meeting held on March 6, 2025, the Company proposed the allocation of employee remuneration of NT$4,970 thousand and directors' remuneration of NT$882 thousand, and reported the proposal to the 2025 annual general meeting. The aforementioned amounts of employee and directors' remuneration are consistent with the amounts originally accrued for 2024, with no differences.

(VI) Repurchase of the Company's Shares

As of April 30, 2026

Serial number of the term of buyback	2nd (Term)
Purpose of buyback	Transfer of shares to employees
Period of buyback	March 23, 2020 – May 19, 2020
Buyback price range	9.00~18.00 (The Company will continue the buyback if its stock price is less than the price range.)
Category and quantity of buyback	2,700,000 ordinary shares
Amount of buyback	NT$40,787,529
Quantity of buyback to the scheduled quantity of buyback (%)	54%
Quantity of shares having been canceled and transferred	2,700,000
Cumulative quantity of the issued shares held by the Company.	0
Cumulative quantity of the issued shares held by the Company to the total quantity of shares issued by the Company (%)	0%

II. Issuance of corporate bonds: None

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Employee stock warrants: None.

VI. Restricted stock awards (RSAs): None.

VII. New shares issued for the acquisition or transfer of other shares: None.

VIII. Progress on the use of funds: The Company is free from any issuance or private placement of securities that was not completed or issuance/private placements that were completed in the most recent three years but have yet to achieve the intended benefits.

Four. Overview of business

I. Business activities

(I) Business scope

1. The Company's business activities comprise the following:
   The Company is primarily engaged in the business lines including stainless steel coil surface processing, slitting, shearing and precision sizing.

2. Ratio of main products in the consolidated operating revenue, net:

Unit: NTD thousand

Item \ Year	2024		2025	
	Amount	Ratio %	Amount	Ratio %
Stainless steel coils	10,713,608	99.99	10,086,640	99.94
Others	1,239	0.01	6,428	0.06
Total	10,714,847	100.00	10,093,068	100.00

3. The Company’s current main products and services:
   (1) Main products: Stainless steel coils and plates
   (2) Main services:
      A. Stainless steel plate/coil shearing
      B. Stainless steel coil slitting
      C. Stainless steel plate surface processing
      D. Stainless steel coil/plate precision sizing

4. New products planned to be developed:
   New products (or services) planned to be developed and improvement of existing products:
   (1) New product development: Development of Titanium Alloy 15333
   (2) Enhancement of existing products: Replacement of imported Japanese materials with 445-grade automotive trim products

(II) Overview of industry

1. The industry’s current status and potential developments:
   The Company is engaged in precision rolling, surface treatment, processing, manufacturing and sale of stainless steel coils. The overview of steel & iron industry and stainless steel industry is stated as follows:
   (1) Steel industry:
   The iron & steel industry is an industry primarily engaged in production of various iron and steel products, which is identified as the fundamental industry for the national infrastructure and also the mother of industry. It is a capital and technology-intensive industry, with the industrial correlations in depth and width. The food, clothing, housing, transportation, education and entertainment in people’s livelihood are all closely linked with the iron & steel industry. Therefore, the iron & steel industry requires more capital than the general industries. Meanwhile, it needs to take longer time to construct factories, and requires extremely delicate equipment and technology. The characteristics in the industry's business management include smaller production resilience, slow return on investment, higher energy consumption than the other industries, basic environmental protection issue about prevention of air pollution, and requirement for larger land for factory expansion. In consideration of the extensive connection

between the upstream and downstream segments in the industry, it has extensive scope of application. As the transportation industry, machinery industry, metal manufacturing industry, medical product industry, construction industry, aerospace industry, home appliance industry, and car industry are all closely linked with the iron & steel industry, the industry's development is also closely linked with the economy.

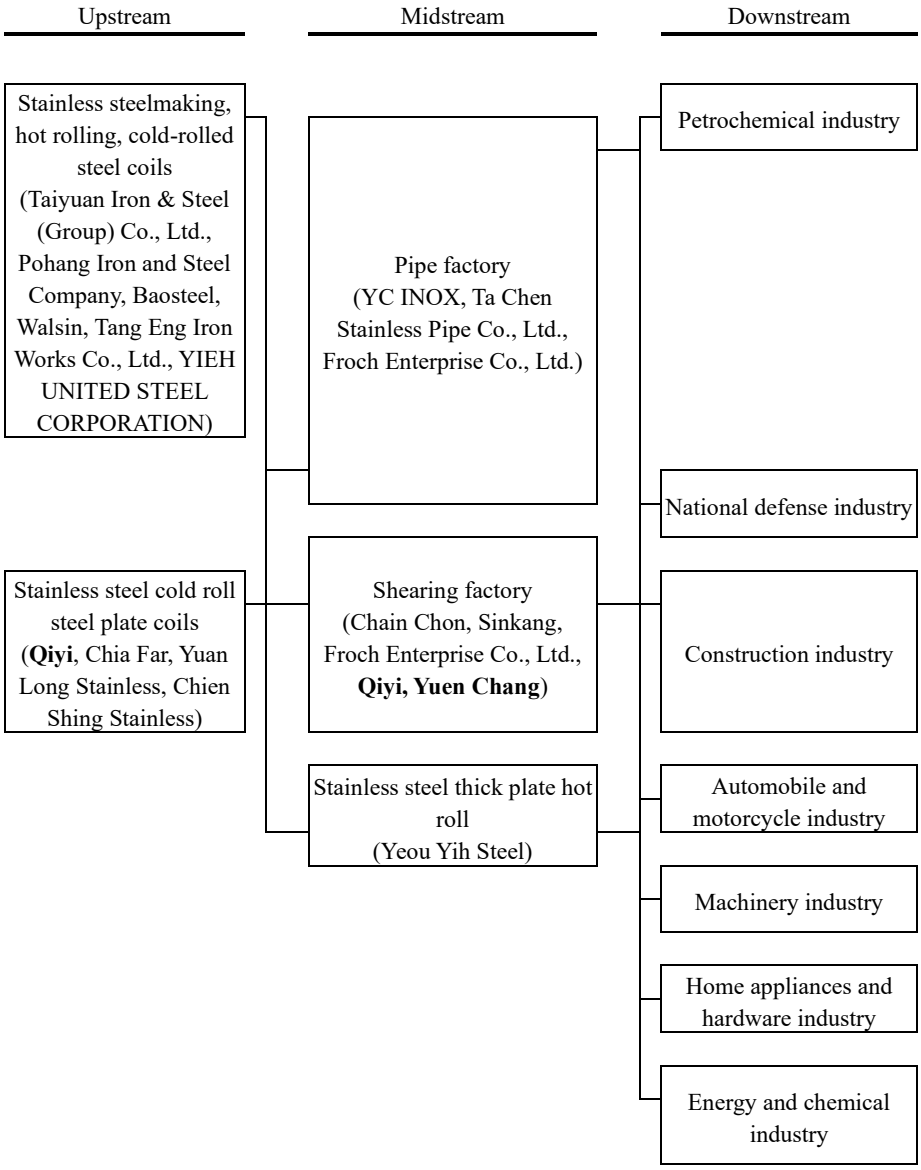
(2) Stainless steel industry:

The iron & steel products can be divided into ordinary steel and special steel subject to the manufacturing process. The reason why the special steel is different from the ordinary steel resides in that one or more special elements will be added in the refining process, in order to change the original property of the ordinary steel or present another special property to fit different purposes or special environments. The stainless steel is one of the special steel types, with the characteristics, such as anti-corrosion, high temperature resistance and aesthetics. Therefore, its application is very extensive. Generally speaking, with the GPD growth in any country, the consumption of stainless steel will increase relatively in that country.

In conclusion, stainless steel will continue to be extensively applied in construction, transportation, kitchen, electrical appliances and industrial machinery. Especially, the recent trend has emphasized long life cycle, energy conservation, environmental protection and informatization for materials. Therefore, stainless steel products are expected to be developed toward the following trends shortly: 1. Environmental protection - In order to suppress generation of carbon dioxide, more stainless steel with excellent heat resistance and high temperature corrosion resistance will be applied to high-temperature garbage incinerators, liquid natural gas power generators, and high-efficiency power generators that use coal. Meanwhile, electric vehicles will be made more practical; therefore, it is expected that more stainless steel will be applied to automotive batteries. Besides, in terms of water resource utilization, especially water quality protection, water pipes and water treatment devices equipped with excellent anti-corrosion stainless steel will be adopted by more people. 2. For long service life - countries, such as Europe countries and the United States, will, based on the LCC (life cycle and price ratio) evaluation method, adopt more stainless steel sections and bars in infrastructure projects including bridges, highways and tracks. In Japan, the life of buildings was designed as 20–30 years in the past. Now, it is designated as 100 years. Therefore, more stainless steel products will be adopted. 3. For informatization - require high-precision and high-performance materials, e.g. mobile phones requiring high-strength, elastic and non-magnetic materials; stainless steel can satisfy the requirements; manufacturing of semiconductors and various integrated circuit boards requires stainless steel, which delivers the characteristics, such as cleanliness and durability; therefore, the future demand for stainless steel is expected to be expanded further.

2. Correlation among up-stream, mid-stream, and down-stream segments in the industry:

The Company's main products include stainless steel coils, etc. The main source of raw materials refers to stainless steel strip. The dealers in the midstream segment include pipe manufacturers, surface treatment companies and shearing service companies, etc., covering the associated industries including construction, manufacturing, people's livelihood and national defense industries. etc.. Correlation among up-stream, mid-stream, and down-stream segments in the industry is stated as follows:



3. Product development trends:

In 2026, the global stainless steel products market has entered a more advanced stage characterized by "increasing precision" and "function-driven" development. The following provides an in-depth analysis across three core sectors: kitchen and sanitary applications, medical devices, and industrial equipment:

(1) Kitchen and Sanitary Applications: From “Durability” to “Active Protection and Aesthetics”:

By 2026, consumers are no longer satisfied with stainless steel’s “corrosion resistance.” With the proliferation of smart home appliances and heightened hygiene awareness, kitchen and sanitary products are undergoing a “disruptive shift” driven by material innovation.

a. Nano coatings: Nano-coating technologies are widely applied in kitchen sinks and premium cookware in 2026. These coatings provide not only anti-fingerprint properties, but also self-cleaning and hydrophobic/oleophobic functions, significantly reducing the need for cleaning agents.

b. Standardization of antimicrobial stainless steel: Technologies incorporating copper or silver ions enable long-lasting antimicrobial performance. This has become a standard feature in commercial kitchens and high-end residential applications in 2026, addressing increasingly complex foodborne pathogens.

c. “Nickel-free” and “low-nickel” trend (18-0 stainless steel): Driven by raw material cost volatility and decarbonization considerations, 18-0 (430 series) stainless steel continues to gain market share. Its excellent magnetic properties make it

well-suited for induction heating (IH) cookware, while also enhancing recyclability within circular economy systems.

(2) Medical Devices: From “Material Supply” to “High-Precision Clinical Solutions”

Demand for stainless steel in the medical sector has undergone a qualitative leap in 2026, driven by aging populations and the widespread adoption of minimally invasive procedures.

a. Implant-grade stainless steel and 3D printing: Implant-grade materials such as 316L stainless steel are increasingly integrated with metal additive manufacturing in 2026. Medical providers can customize orthopedic implants, such as bone plates and supports, based on patient-specific anatomy, placing stringent requirements on material purity and fatigue resistance.

b. EU MDR compliance and traceability: 2026 marks the year of full implementation of the EU Medical Device Regulation (EU MDR). This requires every stainless steel surgical instrument and endoscopic component to have a “digital identity,” fully recording its alloy composition and carbon footprint, posing a significant challenge to supply chain digitalization.

c. Precision alloying of trace elements: To enhance biocompatibility, more “low-allergen” alloys designed for orthopedic applications have emerged in 2026, reducing nickel release while maintaining high corrosion resistance.

(3) Industrial Equipment: The Three Key Drivers—Semiconductors, Hydrogen Energy, and Data Centers

This is the highest-value and most technically demanding segment in 2026. Stainless steel has become foundational infrastructure for both green energy and AI computing.

a. Hydrogen energy infrastructure (hydrogen embrittlement-resistant alloys): As hydrogen energy commercialization enters a scaling phase in 2026, demand for specialized austenitic stainless steels designed for high-pressure hydrogen storage and transportation is surging. R&D efforts are focused on addressing structural failures caused by hydrogen embrittlement through nitrogen passivation technologies.

b. Semiconductors and AI data centers: ultra-high-purity (EP-grade) piping: As semiconductor fabrication (fab) processes advance to sub-2 nm nodes, stainless steel piping used for chemical delivery must meet ultra-clean standards, with zero tolerance for trace metal contamination.

c. Thermal management systems: Liquid cooling solutions for AI servers, including rear-door cooling systems and heat exchangers, increasingly utilize ultra-thin stainless steel foils. This requires materials with excellent weldability and consistent thermal conductivity.

d. Decarbonization of steel production: In 2026, leading stainless steel producers, particularly in Europe and India, have begun commercial-scale operations of green hydrogen-based steelmaking. This trend is driving downstream equipment manufacturers to prioritize reactors and pressure vessels made from “zero-carbon steel.”

Segment	Key Growth Drivers	Key Materials / Technologies	2026 Strategic Focus
Kitchen & Sanitary Applications	Sustainable living, IH heating, home hygiene	Antimicrobial coatings, 430 series stainless steel, nano-engineered surfaces	Brand positioning and ease of maintenance
Medical Devices	Aging population, demand for minimally invasive procedures	316L implant-grade stainless steel, 3D printing, MDR traceability	Regulatory compliance and high biocompatibility
Industrial Equipment	Semiconductor expansion, hydrogen economy, AI thermal management	EP-grade stainless steel piping, hydrogen embrittlement-resistant alloys, ultra-thin foils	High technical barriers and energy efficiency

4. Product competition:

There are many domestic shearing and processing center manufacturers domestically, which are of different scales and form a fragmented market, especially those identifying their target market as the domestic marketing. Large-scale shearing and processing centers are primarily oriented toward export sale. Benefited from the scale of economy, the market tends to be that the winner takes it all. Large-scale shearing and processing centers require considerable management abilities, and also wide land and factory premises. Considering that it is difficult to acquire land in Taiwan and the price is expensive, competitors will have to face a major barrier for acquisition of land. The Company was incorporated in 1987, primarily engaged in the business lines including stainless steel coil processing and sale. The Company's industry category constitutes a part of the iron & steel industry. For the time being, the domestic peers similar to the Company in products, capital and business scale and already listed on TWSE/TPEx primarily include Chain Chon (5014), Froch Enterprise Co., Ltd. (2030) and Sinkang (2032). The comparison in terms of business lines and operating revenue is stated as follows:

Unit: NTD thousand

Item \ Company	Yuen Chang (2069)	Chain Chon (5014)	Froch Enterprise(2030)	Sinkang (2032)
Main business lines	1. Stainless steel products 99.94% 2. Others 0.06%	1. Stainless steel products 99.9% 2. Others 0.1%	1. Stainless steel products 99.71% 2. Others 0.29%	1. Stainless steel sheet 99.93% 2. Others 0.07%
2025 consolidated operating revenue, net	10,093,068	14,953,030	10,149,308	3,041,337

Source of data: Each company's 2025 consolidated financial statements or individual financial statements as audited and certified by CPAs.

(III) Overview of technology and R&D

1. R&D expenses invested in the most recent year and until the date of publication of the annual report:

Unit: NT$ Thousand; %

Item	2025	For the current year up to April 30, 2026
R&D expenses	38,060	31,278
To the operating revenue, net (%)	0.38	0.99

2. Technology or product developed successfully in the most recent year and until the date of publication of the annual report:

The Company's technology or product developed successfully in the most recent year includes the following:

Year	Technology or product developed successfully
2025	445 automotive decorative trim
For the current year up to April 30, 2026	316L12Ni: thickness 0.05mm, soft (BA surface, rough surface) and 1/4H (rough surface), 0.075mm, soft (BA surface, rough surface) and 1/4H (BA surface, rough surface)

(IV) Long-term and short-term business development plans

1. Mid- and long-term business development plan:
   (1) Strengthen the introduction of automation and improve working environment, launch into other steel markets, and integrate both upstream and downstream segments.
   (2) Act in response to potential customers' layout direction, look for potential products, and stabilize the future product export.
   (3) Strengthen the improvement of stainless steel production process, increase the width and have the R&D oriented toward high-value-added products.
   (4) Establish good communication and education & training to improve employee benefits and protection.
   (5) Adopt resilient procurement strategies to make the price of raw materials more adapted to the market and mitigate the operational and procurement risks.

2. Short-term business development plan:
   (1) Make good use of the strength in bonded tax, adopt direct export and avoid anti-dumping.
   (2) Strive to be stable, reduce inventory and increase inventory turnover.
   (3) Improve the impact posed by the process operations to the environment, so as to achieve zero pollution and zero impact.
   (4) Verify the nickel price volatility and keep in touch with the banking sector.
   (5) Promote renewable energy and lease solar plates to generate power.
   (6) Practice the green procurement and promote 5S to upgrade the Company's entire operations.

II. Overview of market and production & marketing

(I) Market analysis

1. Territories where the main products are sold:

Unit: NT$ Thousand; %

Year / Territory	2024		2025	
	Amount	Percentage	Amount	Percentage
Asia (Note)	3,956,010	36.92	3,630,686	35.97
Americas	3,425,599	31.97	3,303,585	32.73
Taiwan	2,529,432	23.61	2,466,420	24.44
Others	803,806	7.50	692,377	6.86
Total	10,714,847	100.00	10,093,068	100.00

Note: excluding revenue from Taiwan.

2. Market share of the product:

The Company's main product is the stainless steel coil. The sales thereof accounts for more than 90% of the Company's overall operating revenue. Therefore, the industry in which the Company is engaged in is categorized into the iron & steel industry upon evaluation. Except said peers and the Company, the other dealers engaged in iron & steel products domestically are mostly small-size or medium-size enterprises which generate the output value considered not huge. According to the industrial production index-product statistics gathered by the Department of Statistics, MOEA, the sales of cold/hot-rolled stainless steel coils in 2025 amounted to NT$76.321 billion. Based on the Company's parent company only operating revenue of NT$7,444,716 thousand for 2025, its estimated domestic market share was approximately 9.75%.

Unit: NTD thousand

Item / Company		Yuen Chang (2069)	Chain Chon (5014)	Froch Enterprise(2030)	Sinkang (2032)
2025 (Parent company only financial statements)	Operating Revenue	7,444,716	2,365,682	7,699,490	3,041,337
	Domestic market share (Note)	9.75%	3.10%	10.09%	3.98%

Source of data: Each company's financial reports as audited and certified by CPAs.
Note: The industrial production index-product statistics gathered by the Department of Statistics, MOEA

3. Future market demand and supply, and market's growth potential:

With the increasing awareness toward global environmental protection, the characteristics of stainless steel, such as heat resistance, anti-corrosion and recyclability, coupled with the introduction of new production technology and expanded output of stainless steel, have caused the cost to keep declining. Therefore, high-quality stainless steel materials are replacing low-end iron & steel materials or plastic materials increasingly, and applied to various fields of life extensively. The stainless steel industry is expected to have certain development potential in the future.

4. Competitive niche:

(1) Optimization of production technology to improve quality:

The Company keeps improving the production technology level. In addition to improving and upgrading the production skills and procedures, the Company also carries out shearing of stainless steel coils in consideration of product optimization, in order to reduce any unnecessary waste. Meanwhile, the Company adopts the incentive system to stimulate employees' work efficiency to enhance the production stability.

(2) Stable marketing channels:

The Company has developed the stainless steel industry thoroughly for more than three decades. In recent years, it has kept moving towards the international market. It strives to keep the original customers and also develop customers in emerging countries, in order to disperse the Company's business risk. For this, the Company recruits and trains excellent talents engaged in foreign trade, hoping to acquire diversified marketing channels. So far, the Company's marketing channels have grown significantly.

(3) Establish close cooperative relationship with suppliers:

Stainless steel materials account for more than 90% of product costs; therefore, securing stable supply sources with consistent quality is a key success factor in this industry.

The Company maintains a long-term supply relationship with major stainless steel materials suppliers, and acts in response to the supplier's market management strategy, in order to reduce the total costs and also satisfy down-stream dealers' immediate needs, thereby shortening the time spent in delivery to customer and mitigating the effect posed by fluctuations in the steel price or foreign exchange rate. Besides, the iron & steel industry is subject to the competition conditions, such as the scale of economy. The Company happens to have the strength in the cost of raw materials, production efficiency and product quality.

(4) Integrate the cross-strait resources to become more competitive:

At the very beginning, the Company chose Taiwan as its major production location. In December 2011, the Company acquired Surwin Global Limited (HK) and Ningbo Qiyi Precision Metals Co., Ltd. Indirectly via the investee, Qiyi Precision Metals Co., Ltd.. Since China has become the global largest production location of stainless steel materials with the strength in stable supplies, the Company will continue to develop localized customer services in China, in order to join the red supply chain.

(5) Sound E-systems:

In order to reduce management costs, the Company utilizes the ERP informatization management to construct the wireless network at factory premises, use mobile devices and Apps to facilitate the rapid circulation of the Company's information and timely communication of any messages, thus improving the management efficiency and cut the business costs. Meanwhile, in order to improve the exchange between the Company and customers, the Company invests capital in online marketing platforms to provide customers with more direct and rapid services. The Company aims at the international market, develops a larger global customer base and also improve its high-level competitiveness at the same time.

(6) Establish bonded factories:

The iron & steel industry is under protection by multiple tariff barriers in various countries all over the world for the time being. The Company owns higher export sale ratio; therefore, if it establishes bonded factories, it may

mitigate the burden of capital and cut the costs, and become more competitive than the other local manufacturers.

5. Positive factors and negative factors to the development outlook:

(1) Positive factors:

A. Continuing growth of market demand

The market development and product development of stainless steel have gradually expanded and improved as a result of changes in the social environment and development of customer needs. The characteristics, such as outstanding "anti-corrosion" and "designability" subject to purpose of stainless steel have made huge contributions to human life. Meanwhile, there is still the room for development and huge development value of it in the future. Given China, India and emerging countries keep promoting infrastructure projects, the demand for stainless steel appears to grow significantly and rapidly in the future and, therefore, may drive the growth of the stainless steel industry.

B. With the increasing awareness toward environmental protection, the product application scope is extensive.

In order to suppress generation of carbon dioxide, more stainless steel with excellent heat resistance, high temperature resistance and corrosion resistance will be applied to high-temperature garbage incinerators, liquid natural gas power generators, and high-efficiency power generators that use coal. Meanwhile, electric vehicles will be made more practical in this century; therefore, it is expected that more stainless steel will be applied to automotive batteries. Especially, in terms of water quality protection, water pipes and water treatment devices equipped with excellent anti-corrosion stainless steel will be adopted by more people.

C. In consideration of the industry’s high capital-intensive characteristics, it requires high barrier to entry.

It is necessary for the iron & steel industry to invest considerable capital in acquisition of land and design and installation of factory premises and machinery & equipment. Therefore, it is identified as a capital-intensive industry.

D. The effect posed by the economic cycle to products is limited.

Stainless steel products are applied extensively. The industries including petrochemical industry, construction industry, automobile industry, people’s livelihood industry and national defense industry all tend to make use of the characteristics of stainless steel for different purposes. In consideration of the dispersed applications of the industry, except the systematic risk, such as economic contraction, it is not likely to encounter the circumstance that multiple industries bottom down at the same time, and there is no risk over low and peak seasons or products subject to significant fluctuations of customers or sales industries resulting from the supply to only one single industry. Besides, the market growth in China drives various industries to grow relatively and be applied more extensively. The demand for stainless steel grows accordingly.

(2) Negative factors:

A. Difficulty in employment of workers and costs increasing year by year.

Following the industry relocation and increasing loss of talents in the traditional industries, as well as the crowding out effect caused by high-tech industries, in order to deal with said circumstances, the

Company will not only improve employee benefits, but also strengthen the implementation of automation and improvement of environment at the same time when it is upgrading the industry and continue to develop high value-added products.

Responsive measures:

The Company and its subsidiaries keep improving the production process and workmanship, and adopt the reward and punishment system to reduce re-work and unnecessary manpower consumption, in an attempt to improve the production efficiency, eliminate the cost pressure from increasing wages, establish a good communication channel with employees, and strengthen personnel management. It improves the employee benefits, and also establishes the sound education & training mechanism and integrate data system platforms' applications to prevent the loss of key human resources, and continue to improve the operating system's automation and working environment.

B. The drastic fluctuations in the raw material price affect the cost controls.

For the time being, the global stainless steel market still tends to identify the 300 series as the mainstream. The stainless steel product with high nickel contents is affected by the international quotes significantly and subject to huge cost volatility.

Responsive measures:

The Company shall maintain long-term, collaborative relationships with upstream raw material suppliers and adopt flexible procurement strategies and optimized inventory management to mitigate the impact of raw material price fluctuations and ensure supply stability, while closely monitoring price trends and responding in a timely manner. Meanwhile, the Company shall use the best efforts to develop the market of stainless steel with low nickel content.

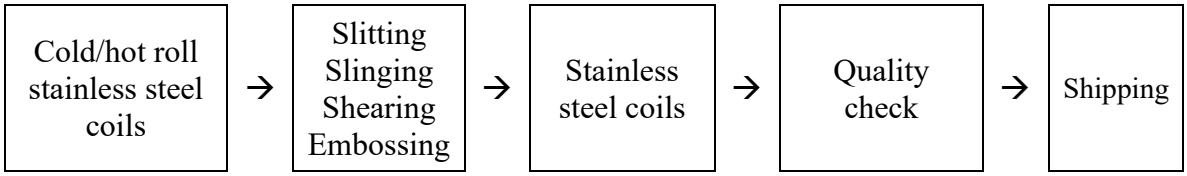
(II) Important purposes and production processes of main products

1. Important purposes of main products:

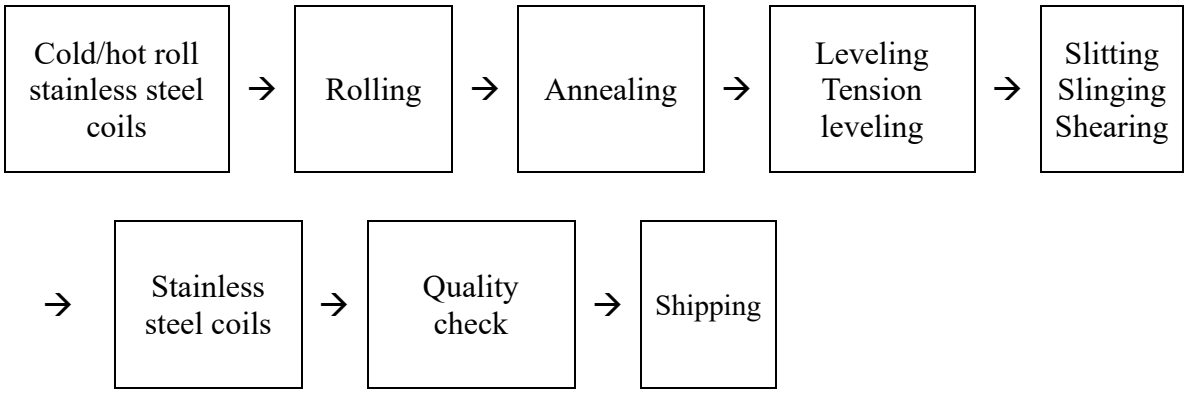
Items	Purpose
Stainless steel coils	Chemical tanks, pipes (structural pipes), hardware accessories, food industry, medical equipment, kitchen utensils, construction & decoration, home appliances, environmental protection industry, computers, communications, and consumer electronics and auto industry.

2. Production process:

(1) Taiwan-based parent company



(2) Subsidiary in China:



(III) Supply of key raw materials

Key raw materials	Suppliers	Supply status
Stainless steel coils	Company A, Company B, Company C, Company D	Fair and stable

(IV) A list of any suppliers (customers) accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the most recent two years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each:

1. A list of any suppliers (customers) accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the most recent two years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each: Name of supplier representing more than 10% of total purchases in any of the previous two years:

Unit: NT$ Thousand; %

Item	2024				2025			
	Title	Amount	To the annual net purchase amount %	Relationship with the issuer	Title	Amount	To the annual net purchase amount %	Relationship with the issuer
1	Company A	3,039,028	33.96	None	Company A	2,811,843	35.82	None
2	Company B	2,832,019	31.64	None	Company B	1,642,561	20.93	None
3	Company C	1,321,193	14.76	None	Company D	795,412	10.13	None
4	Company D	841,738	9.41	None	Company C	581,233	7.41	None
	Others	915,864	10.23	-	Others	2,017,938	25.71	-
	Net purchase	8,949,842	100.00		Net purchase	7,848,987	100.00	

Note: If the contract requires that the supplier representing more than 10% of total purchases in the current year, if any, shall not be disclosed, or if the trading counterparty is an individual and also non-related party, the supplier or trading counterparty may be identified by code instead.

Explanation on ratio changes:

There is no major difference in the main suppliers between 2024 and 2025.

2. Name of customer representing more than 10% of total sales in any of the previous two years:

The Company had no customers representing more than 10% of total sales in the latest two years.

III. Number of employees, average service seniority, average age, and academic background distribution ratio in the latest two years and until the date of publication of the annual report

Unit: person; %

Year		End of 2024	End of 2025	As of April 30, 2026
Number of employees	Direct	374	328	407
	Indirect	214	347	352
	Total	588	675	759
Average Age		37.76	37.85	37.02
Average service seniority		8.26	7.81	7.01
Academic background distribution ratio	Master's/doctorate degree	4%	3%	3%
	Bachelor degree	32%	31%	31%
	Senior high school and below	64%	65%	66%

IV. Information about the expenses of environmental protection

Describe any losses suffered by the Company in the most recent two fiscal years and up to the date of publication of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental protection inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

(I) Any losses suffered by the Company due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental protection inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions): None.

(II) An estimate of possible expenses that could be incurred currently and in the future, and responsive measures: None.

V. Labor-management relations

(I) The Company’s employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee benefit measures:
   (1) Bonus: Year-end bonus, remuneration to employees, production bonus, sales bonus and business bonus.
   (2) Gift money: Gift money for wedding, gift money for childbirth, gift money for birthday, gift money for three major festivals, gift money for service seniority, consolation money for hospitalization, and consolation money for funeral.
   (3) Catering services: Employees may use rice steamers, microwave ovens, electric cookers and coffee machine provided by the Company. The Company also provides desserts and snacks at teatime each month. Employees are granted the allowance for staff party, as the Company wishes to enhance the exchange among colleagues.
   (4) Day care center and breastfeeding room: The Company executes the contract with the kindergarten to provide employees with preferential measures if they send their children to the kindergarten. A heartwarming breastfeeding room is also made available to employees who need to breastfeed children.
   (5) Subsidies: The Company provides disaster subsidies. Employees are granted subsidies for natural disaster. Meanwhile, the continuing education subsidies are granted in order to encourage to attend continuing education.
   (6) Healthcare: In addition to labor and national health insurance programs, the Company maintains the employee group medical and accident insurance programs additionally, in order to protect employees. The Company implements employee health checkup, provides on-site healthcare professionals' services every year, conducts health checkup analysis and management, prevention of occupational diseases and health promotion.
   (7) Leisure category: The Company will organize local and overseas tours and one-day tours from time to time, in order to have employees feel relaxed physically and mentally.

2. Employees' continuing education and training:
   Subject to employees' job requirements and in consideration of the Company's future business condition, the Company implements internal and external in-service training to improve the employees' principal occupational learning and their work efficiency.

3. Employees retirement system and implementation status:
   (1) Any employee may apply for voluntary retirement under any of the following conditions: where the worker attains the age of fifty-five and has worked for fifteen years; where the worker has worked for more than twenty-five years; where the worker attains the age of sixty and has worked for ten years.
   (2) Pension payment standards: Two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months.
   (3) The contribution ratio and contribution status of the new and old systems: Employees who choose the old system shall contribute 2% of their monthly salary in accordance with the law. After the full amount of retirement funds for employees under the old system stipulated by the Ministry of Labor is calculated each year, the difference in retirement reserve funds shall be made up in March each year. In 2021, in accordance with Article 11, Paragraph 3 of the Labor Pension Act, after employees choose to apply the new system of the Labor Pension Act, the Company shall settle the employees' years of service in the Company before the enactment of the Act in a manner not less than that of Article 55 and Article 84-2 of the Labor Standards Act. Therefore, the company intends to apply to the local labor administration unit to settle the special account and collect the remaining amount. All employees who started working after July 1, 2005 shall

contribute 6% of their retirement funds to their personal retirement accounts every month in accordance with the law.

(4) Employee Retirement Protection: The Company administers employee retirement matters in accordance with the "Labor Standards Act" and the "Labor Pension Act."

(a) Old Labor Pension Scheme: The Company contributes 2% of the total monthly salaries of employees covered under the old scheme to a designated account with the Bank of Taiwan as a pension reserve. Prior to the end of each year, the Company assesses whether the balance is sufficient to meet pension obligations for the following year. Currently, all employees under the old scheme are foreign mid-level migrant workers, representing 3.83% of the total workforce (all other employees under the old scheme completed their seniority settlement as of September 30, 2021). The amount recognized for contributions under the old pension scheme in 2025 was NT$49,746.

(b) New Labor Pension Scheme: Since July 2005, the Company has contributed 6% of each employee's monthly salary to the employee's individual pension account with the Bureau of Labor Insurance. Employees may also make voluntary contributions ranging from 0% to 6%. Total contributions under the new scheme for 2025 amounted to NT$4,573,322. As of the end of 2025, employees under the new scheme accounted for 69.4% of the Company's workforce, of whom 23 employees made voluntary contributions, representing 18.11% of employees under the new scheme.

(5) Procedures and conditions for an employee's application for retirement: The employee who applies for retirement voluntarily shall complete the retirement application form within the period of advance notice for the resignation, and the resignation shall become effective only upon approval. The employee whose application for retirement is approved may receive the pension fund in full within 30 days upon completion of the resignation procedures.

(6) For the companies in China: Pay the social security insurance premium (covering medical care, maternity, pension, occupational injury and unemployment) according to the local social security insurance operating procedures. After the Company enrolls the employees to the social security insurance program, the Company is held already starting to perform the obligation to pay the endowment insurance.

4. Status of labor-management agreements and measures for preserving employees' rights and interests:

In order to maintain the labor-management relations, the Company complies with various laws and regulations, preserves employees' interest and right, and also convenes the labor-management meetings on a quarterly basis. Before implementing various important policies, the Company would communicate with employees sufficiently to verify the employees' needs, in order to seek the employees ' support to create a win-win situation and amicable labor-management relations.

(II) Describe any losses suffered by the Company in the most recent two fiscal years and up to the date of publication of the annual report due to labor-management disputes (including any violations of the Labor Standards Act found in the labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

VI. Cyber security management

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

1. Cyber security risk management framework:

The Company's MIS is the unit responsible for the information security. The information manager is responsible for overall planning about information security management policies. Meanwhile, the Company delegates the information security personnel to promote information security-related operations, provides information security messages and awareness campaign to improve the security of business operations, and convenes the information security meetings from time to time each year to review and resolve information security and information protection policies and strategies to practice the effectiveness of the information security management policy.

2. The cyber security policy and concrete management programs:

In order to strengthen the cyber security management, ensure the availability, completeness and confidentiality of information, and prevent internal and external intentional or accidental threats, the cyber security policies and management methods may be divided into the following six categories:

(1) Computer equipment security management

The Company's hosts and application servers are installed in a dedicated control room which is equipped with the uninterrupted power supply system to avoid system down caused by any unexpected power outage, and to ensure that the unexpected power outage would not interrupt the computer application system's operation. The control room is equipped with an independent air conditioner to keep the computer equipment operating under the environment at appropriate temperature, and also a carbon dioxide fire extinguisher that can put out the fire caused by the general or electrical appliances.

(2) Network security management

Improve the network controls, install the enterprise-level firewall at the portal with external networks to stop hackers' illegal intrusion, and block the access to harmful URLs and contents or those denied by policy, strengthen network security to prevent bandwidth resources from misappropriation; any colleague who needs to log in to the Company's intranet access system from any external network shall apply for a VPN account via which he/she may be allowed to log in and access the intranet.

(3) Anti-virus management

The servers and terminal computer equipment are all equipped with endpoint protection software. The virus code will update automatically to ensure that the latest virus may be blocked, and it can detect and prevent the installation of any execution files that would pose potential threats. The mail server is also equipped with mail anti-virus and junk mails filtering mechanisms to prevent viruses or junk mails from accessing the user's computer.

(4) System access control

In order to access various application systems, the colleagues shall apply for approval from the responsible supervisors via the Company's internal system authority request procedure. After that, MIS will create their system accounts, and they may access the systems only upon receipt of the authority given by the

system administrator subject to the functions they request. When any colleague applies for leave without pay or resignation, MIS shall be also notified to suspend the authority of access to the relevant account.

(5) Ensure the system's sustainable operation
Rent two data links from different telecommunications companies, and utilize the bandwidth management equipment to connect the two links in parallel as backup to keep the network communication uninterrupted. Construct the remote backup system to ensure that one copy of the system and database is stored by the Headquarters and the other copy stored in the control room of the Dafa factory premises; exercise the disaster recovery drill at least once per year to simulate rapid recovery of the information system to the normal available state in case any abnormality occurs.

(6) Information security awareness campaign and education & training
Demand that colleagues should regularly change their system password to keep their accounts safe, and also organize the information security protection seminars and send information security protection-related materials from time to time, in order to improve employees' knowledge about information security protection and enhance their protection awareness.

3. Resources invested in the cyber security management:
   (1) Network hardware equipment: firewall, anti-virus and anti-hacking, junk mail filtering, and web switches, etc.
   (2) Software Systems: Endpoint protection software, backup management software, multi-factor authentication (MFA) systems for VPN access, IT resource and information security management systems, and real-time monitoring systems for servers and network equipment.
   (3) Telecommunication service: multiple links and bandwidth load balancer.
   (4) Human Resources Investment: Daily monitoring of system status and off-site backups; three internal information security awareness communications issued in 2025; one information security training session conducted; information security personnel attended seven online training courses; nine system disaster recovery drills carried out; and annual audits of information systems, including internal audits and CPA audits.
   (5) Information security manpower: One information security officer and one dedicated staff, responsible for the framework design, information security maintenance and monitoring, information security incident response and investigation, and review on and amendments to information security policies.

(II) List any losses suffered by the Company in 2025 and up to the publication date of the annual report due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be take: None.

VII. Major contractual arrangements

Contract nature	Contracting parties	Term of Contract	Main contents	Restrictive clauses
Investment cooperation agreement	Ninghai Economic Development Zone Administration	2016/08~2066/08	Transfer of the license to occupy the national land for construction	Industrial land in nature

Joint credit agreement	E.SUN Bank and E.SUN Bank (China)	Date of execution: November 25, 2021 The credit period for each project is stated as follows: (I) Class A credit extension: From the first drawdown until expiration of five years. (II) Class B credit extension: From the first drawdown until expiration of five years.	The loan totaled RMB170 million and US$1 million (or equivalent Euro). Class A credit extension: RMB$170 million, revolving credit line within specific time limit. Class B credit extension: US$ 1 million or equivalent Euro, may be drawn in the revolving manner within the credit period.	Financial ratio: 1. Current ratio [current assets/(current liabilities-long-term borrowings, current portion)]: shall be maintained at no less than 100%. 2. Liability ratio [liability/tangible net worth]: shall be maintained at no more than 180%. 3. Minimum tangible net worth [net worth-intangible assets]: shall be maintained at no less than NT$2.5 billion.
Joint credit agreement	Syndicate consisting of 8 banks including E.SUN Bank, etc.	Date of execution: April 25, 2025 The credit period for each project is stated as follows: (I) Class A credit extension: From the first drawdown until expiration of five years. (II) Class B credit extension: From the first drawdown until expiration of five years.	The total credit facility is NT$1.5 billion. Class A credit extension: NT$750 million, for the issuance of commercial paper, available on a revolving basis. Class B credit extension: NT$1.2 billion, available on a revolving basis.	Financial ratio: 1. Current ratio [current assets/(current liabilities-long-term liabilities, current portion)]: shall be maintained at no less than 100%. 2. Liability ratio [liability/tangible net worth]: shall be maintained at no more than 200%. 3. Minimum tangible net worth (net worth-intangible assets): shall be maintained at no less than NT$2.5 billion.

Five. Review and Analysis on Financial Position and Business Performance, and Risk Management

I. Financial position

(I) Please explain the main reasons for major changes in the Company's assets, liabilities and shareholders' equity, and the impact posed by them:

Unit: NTD thousand

Item \ Year	2024	2025	Variance	
			Amount	%
Current assets	4,516,929	3,773,280	(743,649)	(16.46)
Property, plant and equipment	4,257,768	4,415,323	157,555	3.70
Other non-current assets	396,977	829,042	432,065	108.84
Total Assets	9,171,674	9,017,645	(154,029)	(1.68)
Current liabilities	4,323,938	3,516,342	(807,596)	(18.68)
Non-current liabilities	844,169	1,341,671	497,502	58.93
Total liabilities	5,168,107	4,858,013	(310,094)	(6.00)
Share capital	1,663,868	1,663,868	0	0.00
Capital surplus	1,243,130	1,243,130	0	0.00
Retained earnings	1,230,865	1,350,884	120,019	9.75
Other equity	(134,296)	(98,250)	36,046	(26.84)
Total equity	4,003,567	4,159,632	156,065	3.90

1. Description about the analysis of increase/decrease: (only for the increase/decrease by more than 20% and by more than NT$10 million before and after the period)

(1) Other non-current assets increased by NT$432,065 thousand in 2025 compared to 2024, primarily due to the reclassification of current assets to non-current assets during the year.

(2) Current and non-current liabilities decreased by NT$807,596 thousand and increased by NT$497,502 thousand, respectively, in 2025 compared to 2024, primarily due to the repayment of short-term borrowings and the addition of long-term borrowings.

(3) Other equity decreased by NT$36,046 thousand in 2025 compared to 2024, primarily due to exchange differences arising from the translation of foreign currency financial statements of subsidiaries.

2. Future responsive plan, if the impact is significant: None.

II. Financial Performance

(I) The main reasons for any material change in operating revenues, operating income, and income before tax during the latest two fiscal years

Unit: NTD thousand

Item \ Year	2024	2025	Increase (decrease) in amount	Percentage of change (%)
Operating Revenue	10,714,847	10,093,068	(621,779)	(5.80)
Operating Cost	9,679,325	9,148,464	(530,861)	(5.48)
Gross profit	1,035,522	944,604	(90,918)	(8.78)
Operating expenses	664,534	578,637	(85,897)	(12.93)
Net operating profit	370,988	365,967	(5,021)	(1.35)
Non-operating revenue and expenses	(118,081)	(70,132)	47,949	(40.61)
Profit before tax	252,907	295,835	42,928	16.97
Current net income	225,398	269,767	44,369	19.68
Other comprehensive income for the current period (net after tax)	83,471	36,046	(47,425)	(56.82)
Total comprehensive income for the current period	308,869	305,813	(3,056)	(0.99)

Description about the analysis of increase/decrease: (only for the increase/decrease by more than 20% and by more than NT$10 million before and after the period):

(1) Non-operating net expenses decreased by approximately 41% in 2025 compared to the prior year, primarily due to a decrease in finance costs (interest expenses) of NT$34,986 thousand compared to 2024.

(2) Other comprehensive income for the period decreased by NT$47,425 thousand in 2025 compared to 2024, primarily due to exchange differences arising from the translation of foreign currency financial statements of subsidiaries.

(II) Expected sales volume for the future year and basis of estimate, and the possible effect upon the Company's financial operations as well as measures to be taken in response

1. Expected sales volume for the future year and basis of estimate:
   Based on industry conditions and market supply and demand, and taking into account the Company’s production capacity and business development, the Company has set a production and sales target of approximately 147,038 tons for 2026.

2. The possible effect upon the Company's financial operations as well as measures to be taken in response:
   The Company expects that the stainless steel industry should be able to grow stably in the long run. Notwithstanding, the Company will keep watching the market demand and changes, and invest capital in R&D to increase the Company’s earnings.

III. Cash flow

(I) Analysis on changes in cash flows

Unit: NTD thousand

Item	2024	2025	Increase (decrease)
Net cash inflow (outflow) from operating activities	(63,385)	1,321,964	1,385,349
Net cash inflow (outflow) from investing activities	(141,435)	(871,943)	(730,508)
Cash inflow (outflow) from financing activities	46,103	(450,501)	(496,604)
Analysis on increase/decrease: (1) Net cash inflows from operating activities increased, primarily due to inventory reduction. (2) Investment in equipment increased by NT$393,274 thousand compared with the prior year, and pledged deposits increased by NT$365,394 thousand during the current period; accordingly, cash outflow from investing activities increased compared with the prior year. (3) Bank borrowings decreased during the current period; accordingly, net cash outflow from financing activities increased.			

(II) Corrective measures against insufficient liquidity: The Company's capital is considered sufficient and, therefore, there is no concern about insufficient liquidity.

(III) Analysis on the liquidity of cash for the next year:

Unit: NTD thousand

Balance of Cash, Beginning A	Projected net cash flow from operating activities for the year B	Projected net cash flow from investing and financing activities for the year C	Expected cash surplus (deficit) A+B+C	Financing of projected cash deficits	
				Investment plans	Financing plans
150,356	599,680	-577,105	172,931	-	-
Descriptions about the analysis: (1) Operating activities : The Company’s operation keeps seeking profit and the cost and expenses are controlled adequately, so as to generate the net cash inflow from operating activities. (2) Investing and financing activities: The Company's repayment of loans and payment of dividends result in the net cash outflow.					

IV. Material capital expenditures in the most recent year and impacts on business/finance:

(I) Material capital expenditure utilization status and source of capital: None.

(II) Expected effects: None.

V. Causes of profit or loss incurred on invested businesses in the latest year and any improvements or investments planned for the next year

(I) The Company's investment policy

The Company's current investments include the investment in the indirect subsidiary in Ningbo, China via an investment holding company. With the efforts and hardworking through the past years, the investee in the mainland China has been on track. In the future, the Company will focus on the market demanding stainless steel in China, and will provide the products of consistent fine quality.

(II) Causes of profit gained from invested businesses in the latest year and any improvements or investments planned for the next year

Unit: NT$ Thousand, unless otherwise specified

Investee	Accumulated outward remittance for investment (Note 1)	Major causes for profits or losses thereof	
		2025 investment income	Explanation
QIYI PRECISION METALS CO.,LTD	1,140,000	320,275	Due to the Company's strategic shift toward higher-margin electronics-related industries, although revenue in 2025 decreased by approximately 6% compared to the prior year, net income increased significantly.
Surewin Global Limited (HK)	US$32,000 thousand	320,584	
Ningbo Qiyi Precision Metals Co., Ltd.	RMB$235,709 thousand	320,654	

Note 1: The original investment amount of each investee.

(III) Investment plan for next year: None.

VI. Analysis and evaluation on risk issues

(I) Impact posed by interest rate, exchange rate, and inflation on the Company's earnings, and responsive measures

1. Changes in interest rate:

In 2025, the interest rates on short-term and long-term bank borrowings of the Company and its subsidiaries ranged from approximately 0.62% to 4.45%. Since 2022, the Federal Reserve has raised interest rates multiple times; however, the pace of increases has recently moderated, and the Federal Reserve is expected to pause further rate hikes in the near term. The dedicated personnel from the Company's Finance Section will, regularly or irregularly, evaluate the bank loan interest rate, keep watching the changes in international and domestic financial markets, and make related information available to the sales representatives and procurement personnel. Meanwhile, it will keep in touch with banks to seek more favorable loan interest rate and sufficient facility.

2. Changes in foreign exchange rate:

The main markets of the Company and its subsidiaries cover Europe and the United States. Some of the Company's main raw materials, such as stainless steel strips, are purchased from foreign suppliers. Therefore, the offset between purchase and sale in the same currency may drive the natural hedge against changes in foreign exchange rate. The Company's exports and purchases have declined progressively recently. Therefore, the effect to be posed by changes in foreign exchange rate to the Company's income is mitigated relatively. In order to evade the effect potentially posed to the earnings by foreign interest rate volatility, the Company takes the following responsive measures:

(1) Offset foreign-currency-denominated assets against foreign-currency-denominated liabilities, make the payment of imported goods with the foreign-currency-denominated payment received for the export directly to reduce the exchange difference generated from transactions in foreign currency.
(2) Collect the information about changes in foreign exchange rate and verify the foreign exchange trends sufficiently, in order to decide the timing to convert the foreign currency into NTD, or retain it in the foreign exchange account.
(3) Improve the product quality and the value-added value thereof, and adjust the selling price to reflect costs in a timely manner in the case of foreign exchange rate volatility.

3. Inflation:

The Company and its subsidiaries have not yet suffered any significant impact to the income due to inflation by the date of publication of the annual report. The Company will keep observing the commodity price volatility in the market and develop the sources of raw materials and supplies, in an attempt to cut the production cost and also to maintains fair relations with customers to reflect the production costs to customers in a timely manner. Therefore, this could help mitigate the effect posed by inflation to the Company's earnings effectively.

(II) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and derivatives trading, main causes of profit or loss incurred and future responsive measures

The Company has consistently adhered to a focused and prudent approach to its core business operations, with a financial policy based on stability and conservatism. It has not engaged in high-risk or highly leveraged investment activities. Derivative financial instrument transactions are undertaken solely for hedging purposes, and as of the end of 2025, there were no outstanding hedging transactions. Further, the loaning of funds to others and making of endorsements/guarantees, if any, shall be carried out in accordance with the “Operating Procedure for Loaning to Others” and “Operating Procedure for Making of Endorsements/Guarantees,” in order to mitigate potential risks.

(III) Future R&D plans and R&D expenses to be invested

1. Considering that the Company manufactures stainless steel products, the future R&D plan will focus on improvement of quality and production process. The Company has delegated dedicated personnel to take charge of the relevant R&D operations.
2. R&D expenses to be invested:

Unit: NTD thousand

R&D plan	Estimated R&D expenditure for 2026
Development of Titanium Alloy 15333	94,000

(IV) Impact on the Company’s business and finance due to changes in domestic or foreign policies and laws, and responsive measures

The Company always carries out its business in accordance with the ethical management principles and also laws and regulations promulgated by the relevant domestic/foreign governments and agencies. The Company carries out business according to the existing laws and regulations. Meanwhile, the Company keeps watching the domestic and foreign important policy orientation, formulation of the policy, legislative history and detailed contents related to the Company's operations, and take the initiative to propose responsive measures in a timely manner. No impact has been posed by changes in domestic or foreign policies and laws on the Company's business and finance by the date of publication of the annual report.

(V) Impact posed to the Company's business and finance, and response measures, in the event of technological changes (including cyber security risk) or industrial changes

The development of new technologies and applications presents both challenges and opportunities for the industry. The Company will continue to deepen the application of information technology. Its Enterprise Resource Planning (ERP) system is being continuously enhanced through in-house development to improve functionality and completeness, while the Shop Floor Control (SFC) system has effectively improved manufacturing processes, increasing production capacity and yield rates.

The Company has commissioned a professional information security consulting company to implement information security vulnerability testing for servers and important information security equipment, and conduct social engineering drills and education and training. Regularly implement information security promotion internally to all colleagues throughout the Company, and fix the vulnerabilities in the server operating system, including system remote backup and disaster recovery drills, as well as the real-time updates and control for the system security of mails, firewalls, netcom devices and anti-virus system, to avoid abnormal attacks from any third parties that would cause paralysis of the Company's operations.

The Company began implementing an information security management system in December 2024 and obtained ISO 27001:2022 information security management certification. The certification is valid from December 8, 2025 to December 8, 2028, enhancing information security protection capabilities, strengthening corporate image, optimizing internal management, and establishing a framework for continuous improvement in information security standards.

(VI) Crisis management, impacts, and responsive measures in the event of a change in corporate identity

Since the Company was established, it has always complied with related laws and regulations, strengthened internal management and improve management quality and performance proactively, and maintained the amicable labor-management relations to keep the excellent corporate identity. Therefore, no impact has been posed to the Company's corporate identity in the most recent year and by the date of publication of the annual report.

(VII) Expected benefits and possible risks of merger and acquisition, and responsive measures

The Company has had no plan to merge and acquire other companies in the most recent year and by the date of publication of the annual report. In the event of any event or plan involving merger and acquisition, the Company will follow various operational requirements and perform evaluation on the relevant effects and risk controls with care, in order to protect the Company's interest and shareholders’ equity.

(VIII) Expected benefits and possible risks of facilities expansion, and responsive measures

The Company will adopt the optimal business strategies to carry out the production capacity expansion plan or adjust production, subject to customers' needs, supply and demand in market and source of capital. Notwithstanding, the Company has no factory expansion plan for the time being.

(IX) Risks and responsive measures associated with concentrated purchases or sales

1. Concentrated purchase:

   In consideration of the industrial characteristics, the Company purchases raw materials from major suppliers centrally, primarily in order to control the stable source of raw materials and fine and reliable quality. Meanwhile, the major suppliers have worked with the Company for a long term and, therefore, the Company is able to acquire the raw materials at reasonable cost. The Company also uses the best effort to increase the sources of raw materials and supplies in different territories, in order to seek more diversified and resilient sources of raw materials. Therefore, the risk over concentrated purchases is under the Company's control actually.

2. Concentrated sales:

   In recent years, the Company's sales to any single customer didn't exceed 10% of the annual operating revenue, net. Meanwhile, in consideration of the risk control, the Company maintains long-term cooperative relations with the existing customers, and also develops new customers proactively, in order to increase the dispersion of customers and expand the dispersed sources of business. The Company will also continue to evaluate customers' financial position regularly, in order to mitigate risks. Therefore, there should be no risk over concentrated sales.

(X) Impacts and risks associated with major transfer or exchange of shares by directors, supervisors, or major shareholders with more than 10% ownership interest, and responsive measures

By the date of publication of the annual report, there was no major transfer or exchange of shares by the Company's major directors or major shareholders with more than 10% ownership interest. Even if there was, it was conducted per the shareholders' personal wealth management plan, but no effect has been rendered to the Company's actual operations. Therefore, no material effect has been caused to the Company.

(XI) Impact and risks on the Company due to a change of the right of management, and responsive measures: None.

(XII) If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving any of the Company's directors, supervisors, General Manager, de facto responsible person, or major shareholders with a stake of more than 10 percent, and the matter was finalized or remained pending, in the most recent year and until the date of publication of the annual report, please disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case until the date of publication of the annual report: None.

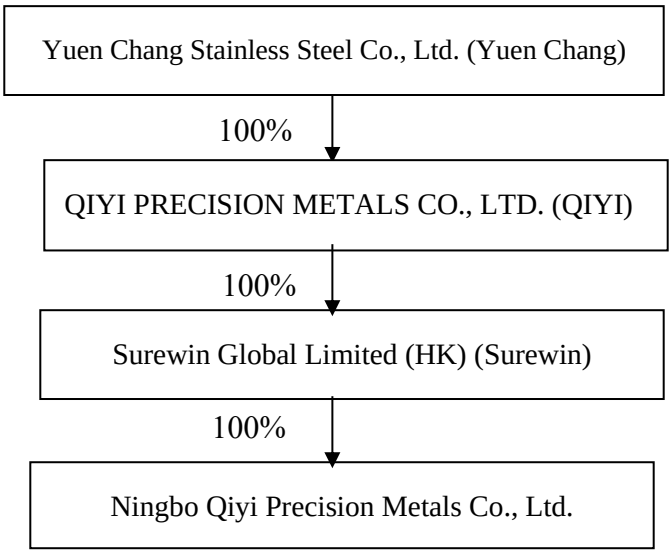
(XIII) Other major risks and responsive measures: None.

VII. Other important disclosures: None.

Six. Special remarks

I. Affiliated companies

(I) Affiliated companies' organizational chart



(II) Profile of Affiliated Companies

December 31, 2025; Unit: NT$ Thousand, unless otherwise specified

Company Name	Date of Establishment	Address	Paid-in capital	Main Business or Production Lines
QIYI PRECISION METALS CO., LTD.	January 13, 2010 (2010.1.13)	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman, KY1-1208, Cayman Islands	480,000	Engaged in professional investment activities
Surewin Global Limited (HK)	May 16, 2008 (2008.5.16)	Room 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road Central, Hong Kong	US$32,000 thousand	Engaged in professional investment activities
Ningbo Qiyi Precision Metals Co., Ltd.	February 15, 2001 (2001.2.15)	No. 2, Nanbin N. Rd., Binhai New Area in the south of Ningbo, Ninghai County, Ningbo City, Zhejiang Province, China	RMB$535,848 thousand	Stainless steel shearing, splitting and cold rolling, processing and trading, and import & export of stainless steel products

(III) Information about the same shareholder presumed to have control and affiliation: None.

(IV) Explanation about business operated by all affiliated companies: stainless steel industry and holding companies.

(V) Information about directors, supervisors, and General Manager of each affiliated company

Company Name	Job Title	Name or the Name of Representative	Shares held	
			Shares (thousand shares)	Shareholding %
QIYI PRECISION METALS CO., LTD.	Director	Yen Te-Ho (Representative of Yuen Chang)	48,000	100%
Surewin Global Limited (HK)	Director	Yen Te-Ho (Representative of QIYI)	32,000	100%
Ningbo Qiyi Precision Metals Co., Ltd.	Chairman Director Director Supervisor	Yen Te-Ho (Representative of Surewin) Yen Po-Chien (Representative of Surewin) Yeh Mei-Yun (Representative of Surewin) Chang Yun-Ching (Representative of Surewin)	Note	100%

Note: As Ningbo Qiyi Precision Metals Co., Ltd. is a limited company, it doesn't issue shares.

(VI) Overview of Business of Affiliated Companies

December 31, 2025; Unit: NT$ thousand

Company Name	Capital	Total Assets	Total liabilities	Net Worth	Operating Revenue	Operating Income (Loss)	Current income (after tax)	Earnings Per Share (NT$) (after tax)
Yuen Chang Stainless Steel Co., Ltd.	1,663,868	6,760,090	2,600,458	4,159,632	7,444,716	-45,820	269,767	1.62
QIYI PRECISION METALS CO., LTD.	480,000	3,035,081	-	3,035,081	-	-261	320,275	-
Surewin Global Limited (HK)	959,680	3,031,895	-	3,031,895	-	-116	320,584	-
Ningbo Qiyi Precision Metals Co., Ltd.	2,463,250	5,287,074	2,263,036	3,024,038	2,664,330	412,136	320,654	-

Note 1: If the affiliated company is a foreign company, its capital is converted into NTD at the historical exchange rate.

Note 2: If the affiliated company is a foreign company, the total assets and liabilities of it are presented in NTD converted at the foreign exchange rate prevailing on the reporting date. The operating revenue, operating income and current income are presented at NTD converted at the average foreign exchange rate in the current year.

(VII) Consolidated financial statements of affiliated companies

In 2025, the entities of the Company and its subsidiaries required to be included in the preparation of affiliated enterprise consolidated financial statements in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were identical to those required to be included in the preparation of consolidated financial statements of the parent and its subsidiaries under Statement of Financial Accounting Standards No. 7. As the relevant information required to be disclosed in the affiliated enterprise consolidated financial statements has already been disclosed in the aforementioned consolidated financial statements of the parent and its subsidiaries, no separate affiliated enterprise consolidated financial statements were prepared.

II. Private placement of securities in the most recent year and until the date of publication of the annual report: N/A.

III. Other supplementary information: None.

Seven. Any occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year up till the date of publication of the annual report that significantly impacted shareholders' equity or security price: None.

Yuen Chang Stainless Steel Co., Ltd.

Chairman: Yen Te-Ho



Headquarters

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Tel. No.: (07)969-5858 Fax No.: (07)968-5768

http://www.yuenchang.com.tw

Stainless Steel Processing Center of Dafa Plant

Address: No. 12, Huaxi Rd., Daliao Dist., Kaohsiung City

Tel. No.: (07)787-9118 Fax No.: (07)787-9728

Ningbo Qiyi Precision Ultra-Thin Stainless Steel Rolling Mill

Address: No. 2, Nanbin N. Rd., Binhai New Area in the south of Ningbo, Ninghai County, Ningbo City

Tel. No.: (86)574-59996888 Fax No.: (86)574-59990532

http://www.qiyi.com.cn