



Stock Code: 1563

SuperAlloy Industrial Co., Ltd.

2025



ANNUAL REPORT

Printed on March 23, 2026

Annual Report Inquiry Website: <http://www.superalloy.tw>

TWSE Market Observation Post System (MOPS): <http://mops.tse.com.tw>

- I. Name, title, contact number, and e-mail address of the Spokesperson and Acting Spokesperson
- Spokesperson
Name: Kuan-Pin Huang
Title: Vice President
Tel: 05-5512288
E-mail: ben.huang@superalloy.tw
- Acting Spokesperson
Name: Hui-Fei Wang
Title: Finance Manager
Tel: 05-5512288
E-mail: kelly.wang@superalloy.tw
- II. Address and number of the headquarters, branch offices, and factories
- Headquarters Address: No. 80, Sec. 3, Yunke Road, Douliu City, Yunlin County
Headquarters Tel: 05-5512288
Branch offices: None
Factory Address: No. 80, Sec. 3, Yunke Road, Douliu City, Yunlin County
No. 82, Sec. 3, Yunke Road, Douliu City, Yunlin County
No. 39, Sec. 3, Yunke Road, Douliu City, Yunlin County
No. 41, Sec. 3, Yunke Road, Douliu City, Yunlin County
No. 6, Kejia 3rd Road, Douliu City, Yunlin County
No. 323, Daxi Road, Pingtung City
No. 325, Daxi Road, Pingtung City
Tel: 05-5512288
- III. Name, address, website, and telephone number of the stock transfer agency
- Name: Stock Affairs Agency Department, Mega Securities Co., Ltd.
Address: 1F, No. 95, Section 2, Zhongxiao East Road, Taipei City
Website: <http://www.megasec.com.tw>
Tel: 02-3393-0898
- IV. Name of the certifying accountants of the most recent annual financial report, the name of the accounting firm, address, website, and telephone number
- Certifying accountants: CPA Mei-Lan Liu and CPA Chih-Wei Lai
Name of firm: PwC Taiwan
Address: 12F, No. 402, Shizheng Road, Xitun District, Taichung City
Website: <http://www.pwcglobal.com>
Tel: 04-27049168
- V. Name of the overseas trading venue where the Company's securities are listed and traded, and the method of accessing information on such overseas securities: None.
- VI. Official Website: <http://www.superalloy.tw>

Table of Contents

| | |
|---|-----------|
| A. LETTER TO SHAREHOLDERS | 4 |
| I OPERATING RESULTS | 4 |
| II SUMMARY OF THE 2026 BUSINESS PLAN | 6 |
| III FUTURE DEVELOPMENT STRATEGY OF THE COMPANY | 7 |
| IV IMPACTS OF THE EXTERNAL COMPETITIVE, REGULATORY, AND MACROECONOMIC ENVIRONMENTS | 8 |
| B. CORPORATE GOVERNANCE REPORT | 9 |
| I INFORMATION ON DIRECTORS, SUPERVISORS, THE PRESIDENT, VICE PRESIDENT, ASSISTANT VICE PRESIDENTS, AND HEADS OF DEPARTMENTS AND BRANCH OFFICES | 9 |
| II REMUNERATION IN THE MOST RECENT YEAR TO DIRECTORS, SUPERVISORS, THE PRESIDENT, AND VICE PRESIDENT | 16 |
| III CORPORATE GOVERNANCE OPERATION | 20 |
| IV CERTIFIED PUBLIC ACCOUNTANT’S (CPA) PUBLIC FEE INFORMATION | 60 |
| V IF THERE HAS BEEN A CHANGE OF AUDITOR IN THE MOST RECENT TWO FISCAL YEARS AND THE SUBSEQUENT PERIOD, THE FOLLOWING MATTERS SHOULD BE DISCLOSED: NOT APPLICABLE. | 60 |
| VI CHAIRMAN, PRESIDENT, AND MANAGERS RESPONSIBLE FOR FINANCE OR ACCOUNTING AFFAIRS OF THE COMPANY WHO, WITHIN THE MOST RECENT YEAR, HAVE PREVIOUSLY BEEN EMPLOYED BY THE ATTESTING CPA’S FIRM OR ITS AFFILIATED ENTERPRISES SHALL DISCLOSE THEIR NAMES, POSITIONS, AND THE PERIOD OF EMPLOYMENT AT THE ATTESTING CPA’S FIRM OR ITS AFFILIATED ENTERPRISES. | 61 |
| VII TRANSFER AND PLEDGE OF SHAREHOLDINGS BY DIRECTORS, SUPERVISORS, MANAGERS, AND SHAREHOLDERS HOLDING MORE THAN 10% IN THE MOST RECENT YEAR AND UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT | 61 |
| VIII INFORMATION ON WHETHER THE TOP TEN SHAREHOLDERS BY SHAREHOLDING PERCENTAGE ARE RELATED PARTIES, SPOUSES OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP. | 63 |
| IX NUMBER OF SHARES HELD IN THE SAME INVESTEE COMPANY BY THE COMPANY, ITS DIRECTORS, SUPERVISORS, MANAGERIAL OFFICERS, AND ENTERPRISES DIRECTLY OR INDIRECTLY CONTROLLED BY THE COMPANY, CALCULATED ON A CONSOLIDATED BASIS AS THE COMBINED SHAREHOLDING RATIO | 63 |
| C. FUNDRAISING SITUATION | 65 |
| I CAPITAL AND SHARES: | 65 |
| II CORPORATE BOND STATUS | 71 |
| III PREFERRED STOCK STATUS | 71 |
| IV GLOBAL DEPOSITARY RECEIPTS (GDR) STATUS | 71 |
| V EMPLOYEE SHARE SUBSCRIPTION WARRANTS STATUS | 71 |
| VI RESTRICTED EMPLOYEE SHARE ISSUANCE STATUS | 71 |
| VII RESOLUTIONS BY THE BOARD OF DIRECTORS APPROVING MERGERS OR ISSUANCE OF NEW SHARES FOR ACQUIRING OTHER COMPANIES’ SHARES IN THE MOST RECENT YEAR AND AS OF THE DATE OF PUBLICATION OF THE ANNUAL REPORT | 71 |
| VIII CAPITAL UTILIZATION PLAN EXECUTION STATUS | 71 |
| D. OPERATING OVERVIEW | 72 |
| I BUSINESS ACTIVITIES: | 72 |

| | | |
|-----------|--|------------|
| II | OVERVIEW OF MARKET AND PRODUCTION/SALES | 82 |
| III | THE NUMBER OF EMPLOYEES IN THE PAST TWO YEARS AND AS OF THE REPORT PUBLICATION DATE, ALONG WITH THE AVERAGE YEARS OF SERVICE, AVERAGE AGE, AND EDUCATIONAL BACKGROUND DISTRIBUTION RATIO: | 87 |
| IV | ENVIRONMENTAL EXPENDITURE INFORMATION..... | 87 |
| V | LABOR RELATIONS..... | 89 |
| VI | INFORMATION SECURITY MANAGEMENT..... | 92 |
| VII | SIGNIFICANT CONTRACTS..... | 95 |
| E. | REVIEW AND ANALYSIS OF FINANCIAL POSITION, FINANCIAL PERFORMANCE, AND RISK FACTORS | 97 |
| I | FINANCIAL POSITION:..... | 97 |
| II | FINANCIAL PERFORMANCE | 98 |
| III | CASH FLOWS..... | 99 |
| IV | IMPACT OF RECENT ANNUAL CAPITAL EXPENDITURES ON FINANCIAL AND BUSINESS OPERATIONS:..... | 99 |
| V | RECENT ANNUAL INVESTMENT POLICY, REASONS FOR PROFIT OR LOSS, IMPROVEMENT PLAN, AND INVESTMENT PLAN FOR THE COMING YEAR..... | 99 |
| VI | RISK FACTORS SHOULD BE ANALYZED AND ASSESSED FOR THE MOST RECENT FISCAL YEAR AND UP TO THE DATE OF PUBLICATION OF THE ANNUAL REPORT..... | 100 |
| VII | OTHER SIGNIFICANT MATTERS..... | 106 |
| F. | SPECIAL NOTES | 107 |
| I | INFORMATION ON AFFILIATES | 107 |
| II | PRIVATE PLACEMENT OF SECURITIES IN THE MOST RECENT FISCAL YEAR AND UP TO THE DATE OF THE ANNUAL REPORT PUBLICATION..... | 109 |
| III | THERE HAVE BEEN NO MATTERS OCCURRING IN THE MOST RECENT FISCAL YEAR AND UP UNTIL THE DATE OF THE PRINTING OF THE ANNUAL REPORT THAT, UNDER THE PROVISIONS OF ARTICLE 33, PARAGRAPH 2 OF THE SECURITIES AND EXCHANGE ACT, HAVE HAD A MATERIAL IMPACT ON SHAREHOLDERS' EQUITY OR THE SECURITIES PRICE..... | 109 |
| IV | ADDITIONAL NECESSARY EXPLANATORY NOTES..... | 109 |

A. Letter to Shareholders

Dear Shareholders

I Operating Results:

(I) Results of the 2025 Business Plan Implementation

Looking back on 2025, the global macroeconomic environment remained complex and uncertain. The automotive industry continued to undergo a deep transition from internal combustion engine vehicles to electrification and hybridization. Coupled with a high interest rate environment and ongoing supply chain inventory adjustments, the overall demand momentum in the luxury vehicle market was slower than expected. SuperAlloy reported consolidated revenue of NT\$6,977,352 thousand for the full year 2025, representing a decrease of approximately 6.64% compared to 2024. Despite the impact of external factors and foreign exchange fluctuations on revenue, the Company demonstrated strong operational resilience. In particular, it successfully overcame the challenges faced in the second quarter and returned to profitability in the third quarter, reflecting the effectiveness of its cost control measures and product mix optimization.

Amid a challenging environment, the Company remained committed to its strategic transformation and achieved progress in the following key areas:

- (1) Leadership in recycled aluminum technology: Our low-carbon recycled aluminum brand, RESAICAL®, continued to gain recognition from leading international customers in 2025, with its utilization rate exceeding 36% by year-end. This not only assists customers in achieving their carbon reduction targets, but also effectively reduces raw material costs by approximately 10–15%, making it a key pillar supporting stable profitability.
- (2) Expansion into the semiconductor sector: 2025 marked a pivotal year for SuperAlloy as it launched its “dual-engine” strategy. We are actively extending our forging technologies and the application of recycled aluminum materials to include, but not limited to, the field of semiconductor equipment components. We have engaged with multiple international leading companies in certification and development efforts, thereby laying the foundation for a second growth curve commencing in 2026.
- (3) Production Capacity and Asset Deployment: In response to future cross-industry demand for recycled aluminum, the Company invested in the establishment of a subsidiary in 2024 to engage in aluminum alloy processing and sales. Construction of the plant commenced in 2025, with trial operations scheduled to begin by the end of 2026.

With respect to profitability, although the first half of the year was affected by exchange rate fluctuations and production line adjustments, profit momentum gradually stabilized in the second half, driven by a recovery in orders for high-end vehicle models and improvements in operational efficiency. Earnings per share for the full year amounted to NT\$1.42. In addition, the Company maintains ample cash reserves and a sound financial structure, which are sufficient to support future business development and dividend distributions.

(II) Budget Implementation Status:

The Company did not publicly disclose any financial forecasts for 2025. The actual operating results for the year are presented as follows:

Unit: NT\$ Thousands

| Items | 2025 | Percentage | 2024 | Percentage | Difference | Percentage |
|---------------------------------------|-----------|------------|-----------|------------|------------|------------|
| Operating Revenue | 6,977,352 | 100 | 7,473,579 | 100 | (496,227) | (7) |
| Operating Costs | 5,493,253 | 79 | 5,469,886 | 73 | 23,367 | - |
| Gross Profit | 1,484,099 | 21 | 2,003,693 | 27 | (519,594) | (26) |
| Operating expenses | 920,910 | 13 | 1,025,835 | 14 | (104,925) | (10) |
| Operating Profit | 563,189 | 8 | 977,858 | 13 | (414,669) | (42) |
| Non-operating Revenues and (Expenses) | (168,250) | 3 | (34,338) | - | 133,912 | 390 |
| Net profit before tax | 394,939 | 5 | 943,520 | 13 | (548,581) | (58) |
| Income Tax Expense | 76,741 | 1 | 188,036 | 3 | (111,295) | (59) |
| Net profit after tax | 318,198 | 4 | 755,484 | 10 | (437,286) | (58) |
| Earnings per share (NT\$) | 1.42 | | 3.30 | | (1.88) | (57) |

(III) Financial Performance and Profitability:

| Items | | 2025 | 2024 |
|---------------------|---|--------|--------|
| Financial Structure | Liabilities-to-Assets Ratio (%) | 51.82 | 43.97 |
| | Ratio of Long-term Funds to Property, Plant and Equipment (%) | 184.95 | 180.36 |
| Solvency | Current Ratio (%) | 228.66 | 273.06 |
| | Quick Ratio (%) | 89.27 | 96.18 |
| | Interest Coverage Ratio | 3.69 | 6.76 |
| Profitability | Return on Assets (%) | 2.41 | 5.05 |
| | Return on Equity (%) | 3.42 | 8.61 |
| | Ratio of Pre-tax Profit to Paid-in Capital (%) | 17.11 | 39.68 |
| | Net Profit Margin (%) | 4.56 | 10.11 |
| | Earnings per share (NT\$) | 1.42 | 3.30 |

(IV) Research and Development (R&D) Status:

1. The ratio of R&D expenses to consolidated net operating revenue for the most recent two years is as follows:

Unit: NT\$ Thousands

| Year | 2025 | 2024 |
|-----------------------|-----------|-----------|
| Net operating revenue | 6,977,352 | 7,473,579 |
| R&D Expenditure | 153,353 | 151,096 |
| R&D Ratio | 2% | 2% |

2. R&D Achievements in the Most Recent Year and Future R&D Directions:

- (1) R&D Achievements in the Most Recent Year:

1. Development of a new casting lubricant for horizontal continuous casting, enhancing mold service life and introducing it into mass production.
 2. Introduction of AI technologies into quality control and quality inspection, with subsequent implementation in mass production.
 3. Trial production of 23-inch and 24-inch forged aluminum alloy wheel products.
 4. Introduction of the Manufacturing Execution System (MES).
- (2) Future R&D Projects:
1. Expansion of business scope from the mobility industry to include, but not limited to, high-barrier sectors such as semiconductor process equipment and hydrogen energy applications.
 2. Expansion of low-carbon product offerings (wheel rims/recycled aluminum) to enhance customer purchasing willingness.
 3. Acceleration of smelting plant construction to increase order volumes from existing and potential customers, in order to meet cross-industry demand.
 4. Development of a two-step near-net-shape forging process for wheel rims, reducing the number of processing steps.
 5. Development of a new surface treatment for aluminum alloy wheel rims.
 6. Development of a fully automated, unmanned single-station machining process integrating robotic arms, vision systems, and sensors.
 7. Development of machining processes utilizing five-axis machining centers for wheel rims and other products.
 8. Introduction of a newly developed polishing process to enhance surface treatment stability.

II Summary of the 2026 Business Plan:

Looking ahead to 2026, we will continue to execute our dual-engine strategy of “forging the mobility industry” and “sustainable recycled aluminum.” While reinforcing our leadership position in the premium wheel market, we will accelerate revenue contributions from the semiconductor and non-passenger vehicle sectors.

1. Product Strategy: Value Enhancement and Portfolio Diversification

- **Mobility Industry:** Continue to leverage dual-core forming technologies to provide high-strength, lightweight forged aluminum wheels and suspension components. Develop high value-added products tailored to the needs of premium brands, featuring larger sizes, more complex designs, and specialized surface treatments, thereby establishing higher technological barriers.
- **Recycled Aluminum Materials:** Expand the supply of high-quality, low-carbon recycled aluminum materials, RESAICAL®.
- **Cross-domain Applications:** Deepen materials research and extend aluminum product lines into semiconductor and high-purity industrial applications, in order to meet the stringent raw material requirements of customers beyond the mobility industry.

2. Processes and Equipment: Digital Transformation and Capacity Upgrade

- Smart Manufacturing: Comprehensively implement MES and continue to invest in automation equipment. Through process step reduction and optimization, shorten manufacturing cycle time and improve yield rates.
- Expansion of Smelting Capacity: Complete equipment installation and trial production at the new aluminum smelting plant, establishing in-house production capabilities covering the full range of aluminum billets, and providing a stable raw material supply to support both the mobility industry and cross-industry demand.

3. Circular Economy: Expanding the Recycling Ecosystem

- Actively expand into post-consumer recycled (PCR) technologies and cross-industry collaborations to scale up recycled aluminum production and unlock more diversified aluminum circular economy opportunities.

III Future Development Strategy of the Company:

(1) Short-term Development Plan: Dual-Engine Activation and Profitability Optimization

A. Lean Production and AI Empowerment:

- Promote lean production to enhance capacity utilization and increase output per employee.
- Accelerate the application of AI technologies in production simulation, quality inspection, and supply chain management to precisely control costs and optimize material yield, leveraging digital transformation to address global manufacturing challenges.

B. Green Transformation and Product Differentiation:

- Technology Upgrade: Leverage five-axis precision machining and advanced surface treatment technologies to meet diverse customer demands for lightweight, customized components.
- 50% Recycled Aluminum Target: Aimed at increasing the proportion of recycled aluminum usage to over 50% by the end of 2026. In addition to supplying OE automakers to support their carbon neutrality goals, we will also expand sales to other industries to mitigate raw material price volatility risks and generate a green premium.

C. Substantive Contributions from the Dual-Engine Strategy

- Leverage existing forging capabilities to obtain customer qualification, ensuring that semiconductor equipment applications begin contributing to revenue in 2026. This will mark an initial step toward business diversification and reduce reliance on a single industry cycle.

(2) Medium to Long-Term Development Plan:

A. Forward-looking Technology R&D:

- Develop next-generation near-net-shape processes with reduced processing steps and advance new metal forming technologies to deliver lightweight solutions with both cost competitiveness and low-carbon advantages.

- Modularize forming technologies to enable flexible application in high-strength component requirements beyond the mobility industry.

B. Circular Economy Scaling:

- With the second smelting plant scheduled for completion and commencement of operations by the end of 2026, total production capacity will increase significantly. We will leverage this additional capacity to aggressively enter the global cross-industry recycled aluminum supply chain, while deepening post-consumer recycled technologies to maximize the revenue contribution of the circular economy.

C. Advancing Toward Smart Factories:

- Leverage mature AI big data analytics to progressively achieve automated production from individual workstations to entire production lines. The objective is to establish “smart factories” that significantly reduce labor dependency, shorten development cycles, ensure quality consistency, and maximize production efficiency.

IV Impacts of the External Competitive, Regulatory, and Macroeconomic Environments:

In response to global geopolitical uncertainties and the regional value content requirements under the United States–Mexico–Canada Agreement (USMCA), the Company leverages its production bases in Taiwan and Germany, along with its service networks across Europe and the United States, to support customers in mitigating risks and lead time reduction. Furthermore, the era of global carbon pricing has arrived, and our recycled aluminum technology aligns perfectly with the European Union’s Carbon Border Adjustment Mechanism (CBAM) and the carbon neutral pathways of major automotive manufacturers. This will be our greatest differentiating advantage in future competition. At the same time, we are accelerating our product diversification strategy by leveraging technological innovation to enhance product value-added, expand into new application areas, and attract a broader customer base.

Although we faced industry headwinds in 2025, this has further strengthened our resolve to pursue transformation. We would like to express our sincere appreciation to all shareholders for their trust and support of the management team. In 2026, we will spare no effort to drive forward our new business initiatives, bringing our strategic deployments to fruition and creating long-term, sustainable value for our shareholders.

Chairman: Tsung-Jung Huang

Managerial Officer: Tsung-Jung
Huang

Accounting Supervisor: Yu-Ping Lin

B. Corporate Governance Report

I Information on Directors, Supervisors, the President, Vice President, Assistant Vice Presidents, and Heads of Departments and Branch Offices:

(I) Information on Directors:

March 22, 2026; Unit: Shares; %

| Position | Nationality/Place of registration | Name | Gender | Age | Date of Election/ Appointment | Term | Date of First Election | Shareholding at the Time of Election | | Current Shareholding | | Current Shareholding by Spouse and Minor Children | | Shareholding under Another Person's Name | | Notable Professional/Academic Experiences | Current Concurrent Position in The Company and Other Companies | | Other executives, directors, or supervisors who are a spouse or are related within the second degree of kinship | | Note |
|-------------|-----------------------------------|--|--------|-----|-------------------------------|---------|------------------------|--------------------------------------|-------------------------|----------------------|-------------------------|---|-------------------------|--|-------------------------|--|--|----------------|---|------------|------|
| | | | | | | | | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion | | Position | Name | Relationship | | |
| Chairman | Republic of China | Tsung-Jung Huang | Male | 75 | 2023.11.13 | 3 years | 2017.10.19 | 3,408,800 | 1.59 | 3,888,800 | 1.69 | 268,000 | 0.12 | - | - | Head of Finance, Save & Safe Co., Ltd. Vice President, Sanhosun Sporting Goods Co., Ltd. Department of International Business, Feng Chia University | Chairman, Cheng Yi Management Consulting Co., Ltd. Huang Paichi Co., Ltd. | Vice President | Kuan-Pin Huang | Father-Son | Note |
| Director | Republic of China | Lung-Cheng Wei | Male | 68 | 2023.11.13 | 3 years | 2023.11.13 | 1,562,400 | 0.73 | 1,562,400 | 0.68 | - | - | - | - | Chairman, SUPERALLOY INDUSTRIAL CO., LTD. Department of Chemical Engineering, National United University | Chairman, PVI Chemical Co., Ltd. Chairman, Jia Yi Investment Co., Ltd. Director and Representative, IV Technologies Co., Ltd. Director and Representative, PVI Co., Ltd. Director, Jeou Luh Enterprise Co., Ltd. | None | None | None | - |
| Director | Republic of China | Mao-Lin Shih | Male | 76 | 2023.11.13 | 3 years | 2017.10.19 | - | - | - | - | 15,400 | 0.01 | - | - | Minister of Justice Prosecutor-General, Taiwan Taipei District Prosecutors Office Prosecutor-General, Taiwan Taoyuan District Prosecutors Office Prosecutor-General, Taiwan Taichung District Prosecutors Office Prosecutor-General, Taiwan Kaohsiung District Prosecutors Office Bachelor of Law, National Taiwan University | Independent Director, Century Wind Power Co., Ltd. Independent Director, HCM Co., Ltd. Chairman, Yunlin County SAI Fu-De Social Welfare and Charity Foundation Chairman, Mt. Dadu Industrial Innovation Foundation Honorary Chair Professor, Department of Financial and Economic Law, Asia University | None | None | None | - |
| Director | Republic of China | Ke-Chang Liu | Male | 74 | 2023.11.13 | 3 years | 2020.11.14 | 1,000,000 | 0.47 | 1,000,000 | 0.43 | - | - | - | - | Junior Manager, Hua Nan Commercial Bank Ltd. Department of International Business, Feng Chia University | - | None | None | None | - |
| Director | Republic of China | Cheng Yi Management Consulting Co., Ltd. | - | - | 2023.11.13 | 3 years | 2017.10.19 | 5,684,800 | 2.65 | 5,684,800 | 2.64 | - | - | - | - | - | - | None | None | None | - |
| | Republic of China | Representative: Shun-Chung Wang | Male | 77 | 2023.11.13 | 3 years | 2017.10.19 | - | - | - | - | - | - | - | - | Assistant Manager, Taiwan Business Bank Co., Ltd. Passed civil service special examination Department of Commerce, Chia-Yi Senior Commercial Vocational School | - | None | None | None | - |
| Director | Republic of China | Yong Ming Investment Co., Ltd. | - | - | 2023.11.13 | 3 years | 2017.10.19 | 2,294,557 | 1.07 | 2,294,557 | 0.99 | - | - | - | - | - | - | None | None | None | - |
| | Republic of China | Representative: Chiu-Yueh Chang | Female | 57 | 2023.11.13 | 3 years | 2023.11.13 | - | - | - | - | - | - | - | - | Accounting Section Manager, Sanhosun Sporting Goods Co., Ltd. Department of Business Administration, National Taipei University of Business | Accounting Section Manager, Sanhosun Sporting Goods Co., Ltd. | None | None | None | - |
| Independent | Republic of China | Ding-Wang | Male | - | 2023.11.13 | 3 years | 2017.10.19 | - | - | - | - | - | - | - | - | President, National Chengchi | Independent Director, | None | None | None | - |

| Position | Nationality/Place of registration | Name | Gender Age | Date of Election/ Appointment | Term | Date of First Election | Shareholding at the Time of Election | | Current Shareholding | | Current Shareholding by Spouse and Minor Children | | Shareholding under Another Person's Name | | Notable Professional/Academic Experiences | Current Concurrent Position in The Company and Other Companies | | Other executives, directors, or supervisors who are a spouse or are related within the second degree of kinship | | Note |
|----------------------|-----------------------------------|-------------------|------------|-------------------------------|---------|------------------------|--------------------------------------|-------------------------|----------------------|-------------------------|---|-------------------------|--|-------------------------|--|--|------|---|------|------|
| | | | | | | | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion | | Position | Name | Relationship | | |
| Director | China | Cheng | 84 | | | | | | | | | | | | University Supervisor, Central Bank of the Republic of China Chairman, Chinese Association for the Advancement of Intangible Asset Valuation Chairman, Taiwan Accounting Association Independent Director, TECO Electric & Machinery Co., Ltd. Executive and Independent Director, Asia Pacific Telecom Co., Ltd. PhD in Accounting, University of Missouri, United States | Hanns Touch Holdings Company Chairperson, Sustainability Standards Committee, Accounting Research and Development Foundation (ARDF) | | | | |
| Independent Director | Republic of China | Wan-Yu Liu | Female 47 | 2023.11.13 | 3 years | 2023.11.13 | - | - | - | - | - | - | - | - | Member, National Council for Sustainable Development Expert Member of the Sustainable Finance Evaluation Committee, Financial Supervisory Commission Jointly Appointed Distinguished Professor, Academy of Circular Economy, National Chung Hsing University Deputy Dean, International College of Innovation and Industry Liaison, National Chung Hsing University Chief Executive Officer, EU Center, National Chung Hsing University Adjunct Professor at National Tsing Hua University, National Chengchi University, and Tamkang University PhD, Production Management and Environmental Economics Division, Department of Agricultural Economics, National Taiwan University | Independent Director, Chung Hwa Pulp Corp. Independent Director, Lion Travel Service Co., Ltd. Independent Director, CH Biotech R&D Co., Ltd. Director, Center for Environmental Restoration and Disaster Reduction, National Chung Hsing University Lifetime Distinguished Professor, Department of Forestry, National Chung Hsing University | None | None | None | - |
| Independent Director | Republic of China | Ming-Shiou Cherng | Male 61 | 2023.11.13 | 3 years | 2023.11.13 | - | - | - | - | - | - | - | - | Professor, Department of Law, Soochow University PhD in Law, University of Münster, Germany | Independent Director, Celxpert Energy Corporation Distinguished Professor, Department of Law, Soochow University | None | None | None | - |
| Independent Director | Republic of China | Wen-Tsung Chen | Male 71 | 2023.11.13 | 3 years | 2023.11.13 | - | - | - | - | - | - | - | - | Previous Experience: Vice President, China Bills Finance Corp. Department of Finance, National Chung Hsing University | - | None | None | None | - |

Note 1 The Chairman and the President are the same person. President Tsung-Jung Huang has served the Company for more than 25 years, with comprehensive experience in major business operations, making him the most suitable candidate for this position. To strengthen decision-making execution and operational efficiency, this arrangement is both necessary and reasonable. To enhance the independence of the Board of Directors, the Company has established four independent directors in accordance with legal requirements as a reinforcement measure, and only one director concurrently serves as an employee or manager.

(II) Major Shareholders of Juristic Person Shareholders:

| Name of Juristic Person Shareholders | Major Shareholders of Corporate Shareholders |
|--|---|
| Yong Ming Investment Co., Ltd. | Yung-Chuan Hsu (20%), Yung-Chang Hsu (20%), Yung-Chi Hsu (10%), Yung-Tsung Hsu (10%), Yung-Cheng Hsu (10%), Li-Yueh Wu (10%), Hui-Ching Liu (10%), Hui-Ling Li (10%) |
| Cheng Yi Management Consulting Co., Ltd. | Tsung-Jung Huang (33.45%), Kuan-Chang Huang (16.67%), Mei-Hua Huang Lin (15.36%), Hsing-Wei Huang (11.43%), Kuan-Pin Huang (5.65%), Pei-Chun Hsieh (3.87%), Chen-Yen Huang (3.57%), Ko-Chen Huang (3.57%), I-Chen Chen (2.62%), Pei-Chen Chen (2.62%) |

(III) For major shareholders that are corporate entities, their principal shareholders: None.

(IV) Disclosure of Directors' Professional Qualifications and Independence Information of Independent Directors:

| Name | | Criteria | Professional qualifications and experience | Independence status | Number of companies in which the individual is concurrently an independent director |
|-----------------------------------|------------------|---|--|---------------------|---|
| Chairman | Tsung-Jung Huang | Expertise: Corporate administration, finance-related experience Education: Department of International Business, Feng Chia University Previous Experience: Vice President, SUPERALLOY INDUSTRIAL CO., LTD.; Vice President, Sanhosun Sporting Goods Co., Ltd.; Head of Finance, Save & Safe Co., Ltd. | N/A | 0 | |
| Director | Lung-Cheng Wei | Expertise: Corporate administration, finance-related experience Education: Department of Chemical Engineering, National United University Previous Experience: Founder, SUPERALLOY INDUSTRIAL CO., LTD. | N/A | 0 | |
| Director | Mao-Lin Shih | Expertise: Legal Affairs Education: Bachelor of Law, National Taiwan University Other Major Positions: Honorary Chair Professor, Department of Financial and Economic Law, Asia University/Independent Director, Century Wind Power Co., Ltd./Independent Director, HCM Co., Ltd. Previous Experience: Minister of Justice, Judge, Chief Prosecutor, Presiding Judge | N/A | 2 | |
| Director | Ke-Chang Liu | Expertise: Corporate administration, finance-related experience Education: Department of International Business, Feng Chia University Previous Experience: Hua Nan Commercial Bank | N/A | 0 | |
| Corporate Representative Director | Shun-Chung Wang | Expertise: Corporate administration, financial-related experience Education: Department of Commerce, Chia-Yi Senior Commercial Vocational School Previous experience: Assistant Manager, Taiwan Business Bank Co., Ltd. | N/A | 0 | |
| Corporate Representative Director | Chiu-Yueh Chang | Expertise: Corporate administration, financial-related experience Education: Department of Business Administration, National Taipei University of Business Previous experience: Accounting Section Manager, Sanhosun Sporting Goods Co., Ltd. | N/A | 0 | |

| Name | | Criteria | Professional qualifications and experience | Independence status | Number of companies in which the individual is concurrently an independent director |
|---|------------------|----------|---|---|---|
| Independent Director | Ding-Wang Cheng | | Expertise: Financial accounting Education: PhD in Accounting, University of Missouri, United States Other main position: Independent Director, HannsTouch Solution Inc. Previous experience: President, National Chengchi University | Complies with the independence requirements set forth in the "Regulations Governing the Establishment and Compliance Matters of Independent Directors of Public Companies." | 1 |
| Independent Director | Wan-Yu Liu | | Expertise: Production management and environmental economics, corporate sustainability development and environmental protection Education: PhD, Production Management and Environmental Economics Division, Department of Agricultural Economics, National Taiwan University Other Principal Positions: Professor, College of Agriculture and Natural Resources, National Chung Hsing University; Independent Director, Chung Hwa Pulp Corp.; Independent Director, Lion Travel Service Co., Ltd.; Independent Director, CH Biotech R&D Co., Ltd. | Complies with the independence requirements set forth in the "Regulations Governing the Establishment and Compliance Matters of Independent Directors of Public Companies." | 3 |
| Independent Director | Ming-Shiou Cheng | | Expertise: Legal profession Education: PhD in Law, University of Münster, Germany Other Major Positions: Professor, Department of Law, Soochow University; Independent Director, Celxpert Energy Corp. | Complies with the independence requirements set forth in the "Regulations Governing the Establishment and Compliance Matters of Independent Directors of Public Companies." | 1 |
| Independent Director | Wen-Tsung Chen | | Expertise: Finance and Financial Management Education: Department of Finance, National Chung Hsing University Previous Experience: Vice President, China Bills Finance Corp. | Complies with the independence requirements set forth in the "Regulations Governing the Establishment and Compliance Matters of Independent Directors of Public Companies." | 0 |
| All Directors of the Company (including Independent Directors) are free from any circumstances specified under Article 30 of the Company Act. | | | | | |

(V) Board Diversity and Independence:

Board Diversity Policy:

The Company's Board of Directors is composed of ten directors with diverse professional backgrounds, including four independent directors, four general directors, one external director, and one director who also serves as a managerial officer. Directors who are not company executives account for more than half of the total board seats. The overall capabilities required of the Board of Directors include operational judgment, accounting

and financial analysis, management skills, crisis management, industry knowledge, international market perspective, and sustainability management and decision-making abilities. The composition of the Board of Directors should consider diversity and develop a policy for board member diversification based on the needs of the Company's operations, business model, and future development trends. This policy should include basic criteria and values (such as gender, age, nationality), as well as professional knowledge and skills (such as law, accounting, industry, finance, marketing), among other factors.

The Company's specific management goals and achievements under the diversification policy are as follows:

| Name | Basic composition | | | | | | Professional knowledge and skills | | | | | Knowledge, skills, and competencies | | | | | | | | |
|---|-------------------|--------|--------------------|-------|-------|-------|-------------------------------------|-----|------------|----------|---------|-------------------------------------|----------------------|-----------------------------------|---------------------|-------------------|--------------------|------------------------------|---------------------------|-------------------------|
| | Nationality | Gender | Part-time employee | Age | | | Independent director tenure (years) | Law | Accounting | Industry | Finance | Marketing | Operational judgment | Accounting and financial analysis | Business management | Crisis Management | Industry knowledge | International market outlook | Sustainability Management | Decision-making ability |
| | | | | 41-50 | 51-60 | 61-70 | | | | | | | | | | | | | | |
| Tsung-Jung Huang | Republic of China | Male | ✓ | | | ✓ | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Lung-Cheng Wei | Republic of China | Male | | | ✓ | | | | | ✓ | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Mao-Lin Shih | Republic of China | Male | | | | ✓ | | ✓ | | | | | | | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Ke-Chang Liu | Republic of China | Male | | | | ✓ | | | | ✓ | | | ✓ | | | | ✓ | ✓ | ✓ | ✓ |
| Cheng Yi Management Consulting Co., Ltd. Representative: Shun-Chung Wang | Republic of China | Male | | | | ✓ | | | | ✓ | | | ✓ | | | | ✓ | ✓ | ✓ | ✓ |
| Yong Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang | Republic of China | Female | | ✓ | | | | ✓ | | ✓ | | | ✓ | | | | ✓ | ✓ | ✓ | ✓ |
| Ding-Wang Cheng | Republic of China | Male | | | | ✓ | ✓ | | ✓ | | ✓ | | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Wan-Yu Liu | Republic of China | Female | ✓ | | | | ✓ | | ✓ | ✓ | | | | | | | ✓ | ✓ | ✓ | ✓ |
| Ming-Shiou Cherng | Republic of China | Male | | ✓ | | ✓ | | ✓ | | | | | | | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Wen-Tsung Chen | Republic of China | Male | | | ✓ | ✓ | | ✓ | | ✓ | | | ✓ | | | | ✓ | ✓ | ✓ | ✓ |

Specific management goals under the diversification policy: A minimum of four independent directors and at least two female directors, in order to strengthen the Company's Board of Directors structure. This term, the Company has achieved the set targets of four independent directors and two female directors. Three independent directors have served less than three years, and one independent director has served more than six years but less than nine years.

If the number of directors of either gender on the Company's Board does not reach one-third, the reasons and the measures planned to enhance gender diversity among directors shall be specified:

Explanation: According to the Company’s Articles of Incorporation, 10 seats for the Board of Directors are established (including 4 independent directors). The current board members were elected at the extraordinary shareholders’ meeting on November 13, 2023. However, there are only two female directors, which, although compliant with the relevant regulations at the time, still do not meet the one-third requirement. This is due to the characteristics of the industry, where it is difficult to find talent in a short period of time.

Response measure: Before the Board’s term expires and a new election is held, the Company will seek talent recommendations from various channels such as the industry or academic institutions to enhance corporate governance effectiveness and implement the Board member diversity policy.

Board Independence:

The current Board of Directors of the Company consists of 10 members, including 4 independent directors and 6 general directors. Independent directors account for 40% of the total board members. To enhance the independence and operational efficiency of the board, the Company has established the Rules Governing the Scope of Powers of Independent Directors. Independent directors perform their duties in accordance with these rules, and during their tenure, they have not had any relationships with management or related parties of the Company that could harm the Company’s interests or compromise impartial judgment. All 4 independent directors are able to independently and effectively oversee the operations of the Board. None of the directors of the Company have spousal or second-degree kinship relationships with each other. Furthermore, if any board meeting agenda involves a conflict of interest for a director, the director will recuse themselves from the discussion and voting on the matter to ensure the Board can independently and objectively perform its duties.

All independent directors fully comply with the regulations set by the Financial Supervisory Commission regarding independent directors, and their independence is as follows:

| Name | Whether the individual, spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or affiliates | The number of shares and proportion of the Company’s stock held by the individual, spouse, and relatives within the second degree of kinship (or held under another person’s name) | Whether serving as a director, supervisor, or employee of a company with a specific relationship to the Company | Remuneration received in the past two years for providing business, legal, financial, or accounting services to the Company or affiliates |
|-------------------|---|--|---|---|
| Ding-Wang Cheng | No | Not applicable | No | Not applicable |
| Wan-Yu Liu | No | Not applicable | No | Not applicable |
| Ming-Shiou Cherng | No | Not applicable | No | Not applicable |
| Wen-Tsung Chen | No | Not applicable | No | Not applicable |

(VI) Information on the President, Vice President, Assistant Vice Presidents, and Heads of Departments and Branch Offices:

March 22, 2026

| Position (Note 1) | Name | Gender | Nationality | Date of Appointment | Shareholding | | Shareholding by Spouse and Minor Children | | Holding shares under another person's name | | Notable Professional/Academic Experiences (Note 2) | Current Concurrent Position in The Company and Other Companies | Individuals who are spouses or are related within the second degree of kinship | | Note (Note 3) |
|--|------------------|--------|-------------------|---------------------|------------------|-------------------------|---|-------------------------|--|-------------------------|---|--|--|--------------------------------|--|
| | | | | | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion | | | Relationship | Name | |
| President (Note 3) | Tsung-Jung Huang | Male | Republic of China | 2019.02.01 | 3,888,800 | 1.69 | 268,000 | 0.12 | - | - | Chairman, SUPER-ALLOY INDUSTRIAL CO., LTD. Department of International Business, Feng Chia University | Chairman, Cheng Yi Management Consulting Co., Ltd. | Vice President | Father-Son Kuan-Pin Huang | Concurrent service as President pending the Board of Directors' appointment of a suitable successor. Currently, more than half of the Company's directors do not concurrently serve as employees or managerial officers. |
| Vice President | Kuan-Pin Huang | Male | Republic of China | 2019.08.10 | 737,825 | 0.32 | 304,170 | 0.13 | - | - | EMBA, National Yunlin University of Science and Technology | None | President | Father-Son Tsung-Jung Huang | |
| Assistant Vice President | Yu-Chih Kao | Male | Republic of China | 2015.06.01 | 189,898 | 0.08 | 3,709 | 0.00 | - | - | Assistant Section Chief, Bao Chang Enterprise Co., Ltd. Master's Degree, Program in Materials Science and Green Energy Engineering, National Formosa University | None | | | |
| Assistant Vice President | Shih-Heng Kuo | Male | Republic of China | 2021.02.01 | 152,000 | 0.07 | - | - | - | - | PhD, Fluid Mechanics Division, Institute of Applied Mechanics, National Taiwan University | None | | | |
| Assistant Vice President | Hsin-Hao Tseng | Male | Republic of China | 2023.09.01 | 27,500 | 0.01 | - | - | - | - | Department of Industrial Engineering and Management, National Yunlin University of Science and Technology Store Manager, Johnson Health Tech. Co., Ltd. | None | | | |
| Chief Financial Officer and Corporate Governance Officer | Hui-Fei Wang | Female | Republic of China | 2018.10.12 | 132,500 | 0.06 | - | - | - | - | Department of Finance, National Yunlin University of Science and Technology | None | | | |
| Accounting Supervisor | Yu-Ping Lin | Female | Republic of China | 2018.10.12 | 442,241 | 0.19 | 89,691 | 0.04 | - | - | Department of Accounting, National Yunlin University of Science and Technology | None | | | |

Note 1: It should include the information of the President, Vice President, Assistant Vice President, and heads of departments and branches, as well as anyone holding a position equivalent to the President, Vice President, or Assistant Vice President, regardless of their title, should also be disclosed.

Note 2: Experience related to the position held during the aforementioned period, such as having worked at the auditing firm or its affiliated companies, should include the title held and the responsibilities undertaken.

Note 3: If the President or equivalent (the highest-ranking executive) and the Chairman are the same person, spouses, or immediate family members, the reasons, rationality, necessity, and measures taken (such as increasing the number of independent directors, ensuring that more than half of the Board members do not hold positions as employees or executives, etc.) should be disclosed.

II Remuneration in The Most Recent Year to Directors, Supervisors, the President, and Vice President:

1. Remuneration paid in the most recent fiscal year (2025) to directors, supervisors, the President, and Vice President

1. Remuneration for Directors (including Independent Directors)

December 31, 2025; Unit: NT\$ Thousands

| Position | Name | Director Remuneration | | | | | | Total amount of items A, B, C, and D as a percentage of net profit after tax | | Compensation for Part-time Employees | | | | | | Total amount of items A, B, C, D, E, F, and G as a percentage of net profit after tax | | Remuneration received from reinvestments other than subsidiaries or the parent company | | | | |
|--|--|-----------------------|--|------------------------|--|---------------------------|--|--|--|--------------------------------------|--|---|--|------------------------|--------------|---|--------------|--|---------------------------|-------------|--|---|
| | | Remuneration (A) | | Retirement Pension (B) | | Director Compensation (C) | | | | Business Execution Expenses (D) | | Salary, Bonus, and Special Allowances (E) | | Retirement Pension (F) | | | | | Employee Compensation (G) | | | |
| | | The Company | All Companies Included in the Financial Statements | The Company | All Companies Included in the Financial Statements | The Company | All Companies Included in the Financial Statements | The Company | All Companies Included in the Financial Statements | The Company | All Companies Included in the Financial Statements | The Company | All Companies Included in the Financial Statements | The Company | Stock Amount | Cash amount | Stock Amount | | Cash amount | The Company | All Companies Included in the Financial Statements | |
| Director | Tsung-Jung Huang | 120 | 120 | - | - | 3,699 | 3,699 | 300 | 300 | 1.29 | 1.29 | 4,052 | 4,052 | 17 | 17 | 1,500 | 0 | 1,500 | 0 | 3.04 | 3.04 | - |
| | Lung-Cheng Wei | | | | | | | | | | | | | | | | | | | | | |
| | Mao-Lin Shih | | | | | | | | | | | | | | | | | | | | | |
| | Ke-Chang Liu | | | | | | | | | | | | | | | | | | | | | |
| | Yong Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang | | | | | | | | | | | | | | | | | | | | | |
| Cheng Yi Management Consulting Co., Ltd. Representative: Shun-Chung Wang | | | | | | | | | | | | | | | | | | | | | | |
| Independent Director | Ding-Wang Cheng | 5,160 | 5,160 | - | - | - | - | 228 | 228 | 1.69 | 1.69 | - | - | - | - | - | - | - | - | 1.69 | 1.69 | - |
| | Wan-Yu Liu | | | | | | | | | | | | | | | | | | | | | |
| | Ming-Shiou Cherng | | | | | | | | | | | | | | | | | | | | | |
| | Wen-Tsung Chen | | | | | | | | | | | | | | | | | | | | | |

Please specify the independent directors' remuneration policy, system, standards, and structure, and explain the correlation with the remuneration amount based on factors such as responsibilities, risks, and time investment:

(1) The payment of director remuneration is handled according to Article 29 of the Company's Articles of Incorporation and the Remuneration and Compensation Procedures for Directors and Functional Committee Members. If the Company is profitable, it shall allocate no more than 3% as director remuneration. However, directors who participate in the Company's daily business operations may receive salaries, which are handled in accordance with the Company's salary management regulations and year-end bonus management regulations.

(2) Independent Director Remuneration: The Company provides each independent director with a fixed monthly remuneration of NT\$60,000. If the term is not completed within a month due to any reason, the remuneration for that month will be calculated based on the proportion of the number of service days (calendar days) to the total number of days in the month. Directors (including independent directors) attending Board meetings may receive a transportation allowance of NT\$12,000. Functional committee members of the Company attending meetings may receive a transportation allowance of NT\$20,000. The Regulations shall take effect upon resolution of the Board of Directors, and the same shall apply to any amendments.

Beyond the disclosures in the table above, compensation received by the Company's directors in the most recent year for services rendered to all companies included in the financial statements (e.g., serving as a non-employee consultant, etc.): None.

Remuneration Range Table

| Compensation Ranges Paid to the Company's Directors | Name of Director | | | |
|--|--|--|--|--|
| | Total Amount of the First Four Categories of Remuneration (A+B+C+D) | | Total Amount of the Seven Categories of Remuneration (A+B+C+D+E+F+G) | |
| | The Company | All Companies Included in the Financial Statements | The Company | All Companies Included in the Financial Statements |
| Under NT\$1 million | - | - | - | - |
| NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive) | Tsung-Jung Huang Lung-Cheng Wei Mao-Lin Shih Ke-Chang Liu Yong Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang Cheng Yi Management Consulting Co., Ltd. Representative: Shun-Chung Wang Ding-Wang Cheng Wan-Yu Liu Ming-Shiou Cherng Wen-Tsung Chen | Tsung-Jung Huang Lung-Cheng Wei Mao-Lin Shih Ke-Chang Liu Yong Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang Cheng Yi Management Consulting Co., Ltd. Representative: Shun-Chung Wang Ding-Wang Cheng Wan-Yu Liu Ming-Shiou Cherng Wen-Tsung Chen | Lung-Cheng Wei Mao-Lin Shih Ke-Chang Liu Yong Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang Cheng Yi Management Consulting Co., Ltd. Representative: Shun-Chung Wang Ding-Wang Cheng Wan-Yu Liu Ming-Shiou Cherng Wen-Tsung Chen | Lung-Cheng Wei Mao-Lin Shih Ke-Chang Liu Yong Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang Cheng Yi Management Consulting Co., Ltd. Representative: Shun-Chung Wang Ding-Wang Cheng Wan-Yu Liu Ming-Shiou Cherng Wen-Tsung Chen |
| NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive) | - | - | - | - |
| NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive) | - | - | - | - |
| NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive) | - | - | Tsung-Jung Huang | Tsung-Jung Huang |
| Total | 10 seats | 10 seats | 10 seats | 10 seats |

2. Remuneration of Supervisors: Not applicable.

3. Remuneration to the President and Vice President

December 31, 2025; Unit: NT\$ Thousands; %

| Position | Name | Salary (A) | | Retirement Pension (B) | | Bonus and Special Allowances (C) | | Employee Compensation (D) | | | | Total amount of items A, B, C, and D as a percentage of net income after tax (%) | | Remuneration received from reinvestments other than subsidiaries or the parent company |
|----------------|------------------|-------------|--|------------------------|--|----------------------------------|--|---------------------------|--------------|--|--------------|--|--|--|
| | | The Company | All Companies Included in the Financial Statements | The Company | All Companies Included in the Financial Statements | The Company | All Companies Included in the Financial Statements | The Company | | All Companies Included in the Financial Statements | | The Company | All Companies Included in the Financial Statements | |
| | | | | | | | | Cash amount | Stock Amount | Cash amount | Stock Amount | | | |
| President | Tsung-Jung Huang | 6,332 | 7,176 | 125 | 125 | - | - | 2,000 | 0 | 2,000 | 0 | 2.66 | 2.92 | - |
| Vice President | Kuan-Pin Huang | | | | | | | | | | | | | |

Remuneration Range Table

| Compensation Ranges Paid to the Company's President and Vice President | Name of the President and Vice President | |
|--|--|--|
| | The Company | All Companies Included in the Financial Statements |
| Under NT\$1 million | - | - |
| NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive) | - | - |
| NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive) | - | - |
| NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive) | Kuan-Pin Huang | Kuan-Pin Huang |
| NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive) | Tsung-Jung Huang | Tsung-Jung Huang |
| NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive) | - | - |
| NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive) | - | - |
| NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive) | - | - |
| NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive) | - | - |
| Over NT\$100,000,000 | - | - |
| Total | 2 | 2 |

4. Names of Managerial Officers Receiving Employee Compensation and Details of Allocation:

December 31, 2025; Unit: NT\$ Thousands; %

| | Position | Name | Stock dividend amount | Cash dividend amount | Total | Proportion of total amount to net profit after tax |
|--|----------|----------------|-----------------------|----------------------|-------|--|
| | Managers | President | Tsung-Jung Huang | 0 | 3,699 | 3,699 |
| Vice President | | Kuan-Pin Huang | | | | |
| Assistant Vice President, Production Department | | Yu-Chih Kao | | | | |
| Assistant Vice President, Office of the President | | Shih-Heng Kuo | | | | |
| Assistant Vice President, Business Department | | Hsin-Hao Tseng | | | | |
| Chief Financial Officer and Corporate Governance Officer | | Hui-Fei Wang | | | | |
| Accounting Supervisor | | Yu-Ping Lin | | | | |
| Audit Office Manager | | Chi-Chen Tu | | | | |

2. The analysis and explanation of the total remuneration given to the Company's directors, supervisors, President, and Vice President for the past two years, as a percentage of individual or consolidated after-tax net income, along with the policies, standards, and composition of remuneration, the procedures for determining remuneration, and the correlation with operational performance and future risks are as follows:

(1) Analysis of the total remuneration paid by the Company and all consolidated entities to the Company's directors, supervisors, President, and Vice President over the last two years, as a percentage of net profit after tax

Unit: NT\$ Thousands; %

| Position \ Items | Total remuneration as a percentage of net profit after tax | | | |
|---|--|---|-------------|---|
| | 2024 | | 2025 | |
| | The Company | All Companies Included in the Consolidated Financial Statements | The Company | All Companies Included in the Consolidated Financial Statements |
| Directors (excluding Independent Directors) | 2.62 | 2.62 | 3.04 | 3.04 |
| Independent Director | 0.70 | 0.70 | 1.69 | 1.69 |
| President and Vice President | 1.59 | 1.70 | 2.66 | 2.92 |

(2) Policy, standards, and composition of remuneration, procedures for determining remuneration, and its correlation with business performance and future risks

The Company's Articles of Incorporation and the Remuneration and Compensation Procedures for Directors, Independent Directors, Functional Committee Members, and Managers have clearly stipulated the standards for director remuneration. The Articles also specify the allocation standards for directors' and employees' compensation. Distribution may only be made after obtaining the consent of the Compensation Committee and the Audit Committee, followed by approval of the Board of Directors, and shall be reported to the shareholders' meeting. On December 27, 2017, the Board of Directors approved the Board Performance Evaluation Guidelines. The Company has

since begun conducting annual performance assessments for individual directors, linking the evaluation results to each director's annual compensation, thereby establishing performance objectives to enhance the efficiency of board operations.

The remuneration of the Company's President and Vice President is determined in accordance with the method outlined above, based on their job salary standards. It takes into account their contribution to operations and the responsibilities they bear, while also considering industry salary standards, the Company's operational performance, and individual performance. This reasonable compensation is subject to regular evaluation by the Compensation Committee.

The Company pays remuneration to the directors, President and Vice President, taking into account the Company's future operational development and management risks. At the same time, it comprehensively evaluates the positive correlation between their remuneration and business performance, aiming to balance sustainable operations and risk management, which is highly aligned with their responsibilities and the overall performance of the Company.

III Corporate Governance Operation:

(I) Operational Status of the Board of Directors

In the most recent year (2025) and up until the date of publication of the annual report, the 15th Board of Directors held a total of 6 meetings. The attendance of directors is as follows:

| Position | Name | Number of Actual Attendances | Number of Proxy Attendances | Actual Attendance Rate (%) | Note |
|--|---|------------------------------|-----------------------------|----------------------------|------|
| Chairman | Tsung-Jung Huang | 6 | 0 | 100.00 | |
| Director | Yong Ming Investment Co., Ltd. Representative: Chiu-Yueh Chang | 6 | 0 | 100.00 | |
| Director | Cheng Yi Management Consulting Co., Ltd. Representative: Shun-Chung Wang | 6 | 0 | 100.00 | |
| Director | Lung-Cheng Wei | 6 | 0 | 100.00 | |
| Director | Mao-Lin Shih | 6 | 0 | 100.00 | |
| Director | Ke-Chang Liu | 6 | 0 | 100.00 | |
| Independent Director | Ding-Wang Cheng | 6 | 0 | 100.00 | |
| Independent Director | Wan-Yu Liu | 6 | 0 | 100.00 | |
| Independent Director | Ming-Shiou Cherng | 5 | 0 | 83.33 | |
| Independent Director | Wen-Tsung Chen | 6 | 0 | 100.00 | |
| Other Matters to Be Recorded: | | | | | |
| I. If any of the following situations occur in the operation of the Board of Directors, the date of the meeting, the session, the content of the proposal, all independent directors' opinions, and the Company's handling of those opinions shall be specified: | | | | | |

1. Matters listed under Article 14-3 of the Securities and Exchange Act: Since the Company has established an Audit Committee, the provisions of Article 14-3 are not applicable. For explanations regarding matters listed under Article 14-5 of the Securities and Exchange Act, please refer to the operation of the Audit Committee.
2. Other than the aforementioned matters, there were no resolutions of the Board of Directors opposed or reserved by independent directors with records or written statements.

II. Recusal from proposals involving conflicts of interest by a director shall specify their name, the content of the proposal, the reason for recusal, and their participation in voting.

1. The 15th Board of Directors' 9th meeting discussed the distribution of employee compensation, director compensation, and the management team's allocation for the 2024 fiscal year. Since the Chairman and attending report personnel, Accounting Manager Yu-Ping Lin and Finance Manager Hui-Fei Wang, are interested parties in this matter, they recused themselves from the discussion. Independent Director Ming-Shiou Cherng was appointed to serve as the acting chairperson for the meeting. Approved unanimously by all directors present.
2. The 15th Board of Directors' 11th meeting discussed the ratification of the Board director appointment and supervisor nomination for the Company's invested entity, Jia Yi Co., Ltd. Since the Chairman and attending report personnel, Finance Manager Hui-Fei Wang, are interested parties in this matter, they recused themselves from the discussion. Independent Director Ming-Shiou Cherng was appointed to serve as the acting chairperson for the meeting. Approved unanimously by all directors present.
3. The 13th meeting of the 15th Board of Directors discussed the proposal for performance evaluation standards for directors and independent directors in 2026: According to the board meeting rules, the parties concerned shall recuse themselves from voting due to conflict of interest, and therefore the resolution is conducted in two stages. In the first phase, independent directors were asked to recuse and the motion was passed unanimously by the remaining directors. In the second phase, non-independent directors recused and Independent Director Ding-Wang Cheng assumed the chair. The motion was passed unanimously by the remaining directors.
4. The 15th Board of Directors' 13th meeting discussed the performance evaluation criteria for the Company's management for the 2026 fiscal year. Since the Chairman and attending report personnel, Accounting Manager Yu-Ping Lin and Finance Manager Hui-Fei Wang, are interested parties in this matter, they recused themselves from the discussion. Independent Director Ding-Wang Cheng was appointed to serve as the acting chairperson for the meeting. Approved unanimously by all directors present.
5. The 13th meeting of the 15th Board of Directors discussed the proposal for year-end bonuses for directors and managers executing company business in 2025:
 - (1) For this case, Chairman Tsung-Jung Huang and attending reporting personnel, Accounting Supervisor Yu-Ping Lin and Finance Manager Hui-Fei Wang, are part of the Company's management. In accordance with the Board of Directors' meeting rules, the concerned parties shall recuse themselves from voting due to conflict of interest. The resolution was therefore presided over and voted on by Independent Director Ding-Wang Cheng, acting as proxy chair.
 - (2) Except for the Chairman, who recused due to a conflict of interest, the acting chair polled the remaining directors and the motion passed without objection.
6. The 14th meeting of the 15th Board of Directors discussed the Company's distribution of employee compensation and director remuneration for 2025, as well as allocations for management and entry-level employees:
 - (1) For this case, Chairman Tsung-Jung Huang and attending reporting personnel, Accounting Supervisor Yu-Ping Lin and Finance Manager Hui-Fei Wang, are part of the Company's management. In accordance with the Board of Directors' meeting rules, the concerned parties shall recuse themselves from voting due to conflict of interest. The resolution was therefore presided over and voted on by Independent Director Ming-Shiou Cherng, acting as proxy chair.
 - (2) Except for the Chairman, who recused due to a conflict of interest, the acting chair polled the remaining directors and the motion passed without objection.

III. Listed companies are required to disclose information regarding the self-assessment (or peer assessment) of the board of directors, including the evaluation cycle and period, evaluation scope, methods, and contents. Additionally, they should fill out Appendix 2(2) regarding the implementation of the board evaluation. The Company passed the Board of Directors' Performance Evaluation Measures at the 2nd meeting of the 13th Board of Directors on December 27, 2017. Articles 2 and 3 stipulate that the functional committees and the Board of Directors should conduct internal performance evaluations once a year. The implementation for the year 2025 is as follows.

IV. Objectives and Assessment of Board Functionality Enhancement for the Current and Most Recent Year (e.g., establishment of Audit Committee, improvement of information transparency): The Company has established an Audit Committee, which carries out its functions in compliance with the requirements of the competent authority.

1. In addition to the establishment of a Compensation Committee approved by the Board of Directors on December 28, 2011, and in accordance with Article 14-2 of the Securities and Exchange Act, the Company conducted the 13th election of directors and supervisors at the 2017 Annual Shareholders' Meeting. Three independent directors were elected to strengthen the functionality of the Board of Directors and improve corporate governance

effectiveness. Furthermore, the Audit Committee, established on October 19, 2017, replaced the original supervisory system to strengthen the Company's internal control mechanisms.

2. To align with international corporate governance trends, the Company amended its Rules and Procedures of Board of Director Meetings on June 26, 2023, and March 7, 2024. Additionally, the Audit Committee Charter was revised on December 27, 2017, and March 7, 2024, in an ongoing effort to enhance the Company's governance standards.
3. To uphold the philosophy of sustainable business operations, implement corporate governance, strengthen the Board's management of integrity-based operations, and fulfill corporate social responsibility, the Company passed the establishment of the Sustainable Development Committee Organizational Charter at the 9th meeting of the 14th Board of Directors on June 27, 2022. The Sustainable Development Committee was established under the Board of Directors.
4. To enhance information transparency, the Company immediately announces important resolutions on the Market Observation Post System (MOPS) after each Board meeting. At the same time, relevant organizational regulations are updated on the Company's website to protect shareholder rights and improve investors' understanding and recognition of the company.
5. Purchase of Directors and Officers' Liability Insurance: The Company has purchased Directors and Officers' Liability Insurance annually since 2021. The most recent report to the Board of Directors was on December 24, 2025.
6. To enhance the Company's sound operation and sustainable development, and to establish a robust risk management mechanism to reasonably ensure the achievement of the Company's strategic goals, the Risk Management Procedures were established on March 7, 2024. This aims to continuously improve the level of corporate governance.

Implementation status of the Board of Directors and functional committees in 2025:

| Year | Evaluation Method | Evaluation Period | Evaluation Scope | Evaluation Content |
|------|---|--------------------------------|---|--|
| 2025 | Board member self-assessment questionnaire, Board performance evaluation, Audit Committee performance evaluation, Compensation Committee performance evaluation, Sustainable Development Committee performance evaluation | January 1 to December 31, 2025 | Overall Board, Individual Directors, Audit Committee, Compensation Committee, Sustainable Development Committee | <p>I. Metrics of the Board Performance Evaluation include the following six major dimensions:</p> <ol style="list-style-type: none"> 1. Level of involvement in company operations. 2. Enhancement of the decision-making quality of the Board of Directors. 3. Board composition and structure. 4. Election and continuing education of directors. 5. Internal control. 6. ESG Initiatives (Environmental Protection, Social Inclusion, Sustainable Governance) <p>II. Performance evaluation metrics of the directors include the following seven major dimensions:</p> <ol style="list-style-type: none"> 1. Grasp of the Company's goals and missions. 2. Director's awareness of responsibilities. 3. Level of involvement in company operations. 4. Internal relationship management and communication. 5. Professional expertise and continuing education of directors. 6. Internal control. 7. ESG Initiatives (Environmental Protection, Social Inclusion, Sustainable Governance) <p>III. Performance evaluation metrics of the Audit Committee include the following five major dimensions:</p> <ol style="list-style-type: none"> 1. Level of involvement in company operations 2. Audit Committee responsibilities awareness 3. Enhancement of the decision-making quality of the Audit Committee 4. Composition and member election of the Audit Committee 5. Internal control <p>IV. Performance evaluation metrics of the Compensation Committee include the following four major dimensions:</p> <ol style="list-style-type: none"> 1. Level of involvement in company operations 2. Compensation Committee responsibilities awareness 3. Enhancement of the decision-making quality of the Compensation Committee 4. Composition and member election of the Compensation Committee <p>V. Performance evaluation metrics of the Sustainable Development Committee include the following four major dimensions:</p> <ol style="list-style-type: none"> 1. Level of involvement in company operations 2. Sustainable Development Committee responsibilities awareness 3. Enhancement of the decision-making quality of the Sustainable Development Committee 4. Composition and member election of the Sustainable Development Committee |

(II) Audit Committee Operations

In the most recent fiscal year (2025) and up to the date of the annual report publication, the 3rd Audit Committee convened 6 meetings (A). The attendance of independent directors is as follows:

| Position | Name | Number of Actual Attendances (B) | Number of Proxy Attendances | Actual Attendance Rate (%) (B/A) (Note) | Note |
|------------------|-------------------|----------------------------------|-----------------------------|---|------|
| Chairman | Ding-Wang Cheng | 6 | 0 | 100.00 | |
| Committee Member | Wan-Yu Liu | 6 | 0 | 100.00 | |
| Committee Member | Ming-Shiou Cherng | 5 | 0 | 83.33 | |
| Committee Member | Wen-Tsung Chen | 6 | 0 | 100.00 | |

Other Matters to Be Recorded:

I. If any of the following situations occur in the operation of the Audit Committee, the following details should be provided: The date and session of the Audit Committee meeting, the agenda items discussed, any opposing opinions, reservations, or significant recommendations from independent directors, the decisions made by the Audit Committee, and the Company's response to the Audit Committee's opinions.

1. Matters listed under Article 14-5 of the Securities and Exchange Act:

| Date of Audit Committee Meeting | Audit Committee Term | Summary of Proposal Content | Opinions of Independent Directors and the Audit Committee | The Company's handling of Audit Committee opinions |
|---------------------------------|------------------------------|---|--|--|
| 2025.03.03 | 8th meeting of the 3rd term | Approved the Company's 2024 Business Report, Parent Company Only Financial Statement, and Consolidated Financial Statements. Approved the Company's 2024 earnings distribution. Approved the Company's 2024 Internal Control System Statement. Passed the independence assessment of attesting CPA for 2025 and the competency assessment of the CPA for 2024. Approved the appointment and remuneration of the Company's CPAs for 2025. Approved amendments to the credit management regulations. | Independent directors expressed no objections, and the proposal was subsequently submitted for board resolution. | All proposals submitted to the Board of Directors were approved. |
| 2025.05.08 | 9th meeting of the 3rd term | 1. Approved the Company's 2025Q1 consolidated financial statements. 2. Approved amendments to the shareholding ratio in the subsidiary, Jia Yi Co., Ltd. 3. Approved the acquisition of right-of-use assets. | | |
| 2025.08.05 | 10th meeting of the 3rd term | 1. Approved the Company's 2025H1 consolidated financial statements. 2. Approved amendments to the Company's sustainability information management procedures. | | |
| 2025.11.06 | 11th meeting of the 3rd term | 1. Approved the Company's 2025Q3 financial statements. 2. Approved amendments to the Company's payroll and personnel authorization matrix. | | |
| 2025.12.24 | 12th meeting of the 3rd term | 1. Approved capital expenditures for 2026 under the Company's Operational Plan. 2. Approved the Company's 2026 audit plan. 3. Approved amendments to the payroll cycle provisions. | | |
| 2026.03.02 | 13th meeting of the 3rd term | 1. Approved the Company's 2025 Business Report, Parent Company Only Financial Statement, and Consolidated Financial Statements. 2. Approved the Company's 2025 earnings distribution. | | |

| | | | | |
|--|--|---|--|--|
| | | 3. Approved the Company's 2025 capital surplus dividend distribution. 4. Approved the Company's 2025 Internal Control System Statement. 5. Passed the independence assessment of attesting CPA for 2026 and the competency assessment of the CPA for 2025. 6. Approved the appointment and remuneration of the Company's CPAs for 2026. 7. Approved amendments to the provisions on sales and collection cycled. 8. Approved the cancellation of the Company's repurchased treasury shares and the establishment of the capital reduction reference date. 9. Approved the implementation of cash capital reduction. | | |
|--|--|---|--|--|

2. Other than the aforementioned matters, there are no resolutions not approved by the Audit Committee but agreed upon by more than two-thirds of all directors.

II. Recusal from proposals involving conflicts of interest by an independent director shall specify their name, the content of the proposal, the reason for recusal, and their participation in voting.

1. The 13th meeting of the 15th Board of Directors discussed the Company's performance evaluation standards for directors and independent directors in 2026. According to the board meeting rules, the parties concerned shall recuse themselves from voting due to conflict of interest, and therefore the resolution is conducted in two stages. In the first phase, independent directors were asked to recuse and the motion was passed unanimously by the remaining directors. In the second phase, non-independent directors recused and Independent Director Ding-Wang Cheng assumed the chair. The motion was passed unanimously by the remaining directors.

III. Communication between independent directors, internal audit supervisors, and CPAs (including material matters regarding the Company's finance and business operations, methods of communication, and results):

- The Company regularly convenes the Audit Committee and invites accountants or audit supervisors to attend as needed. In addition to the Audit Committee meetings, independent directors also attend meetings with accountants, audit supervisors, or relevant managers as necessary to communicate and discuss related issues.
- The internal audit supervisor, in accordance with the annual audit plan, regularly submits consolidated audit reports to the Audit Committee. The Audit Committee also periodically evaluates the Company's internal control system, internal audit personnel, and their work.
- The Audit Committee holds regular annual meetings with the Company's CPAs to discuss the review or audit results of the quarterly financial statements and other matters related to legal requirements. Additionally, the Committee conducts an independent review of the selection of the certified public accountants and their provision of audit and non-audit services to ensure their independence.
- Major communication matters up to the date of publication of the 2025 annual report

(1) The excerpt of communication between independent directors and CPAs is as follows:

| Meeting Date | Nature of Meeting | Key Communication Points | Communication Status and Opinions of Independent Directors | Handling of Independent Directors' Opinions |
|--------------|-------------------|--|---|---|
| 2025.03.03 | Audit Committee | Reported on the audit results of the Consolidated and Parent Company Only Financial Statements for 2024. | No independent director expressed objection upon review by the Audit Committee. | N/A |
| 2025.05.08 | Audit Committee | Reported on the audit results of the Consolidated Financial Statements for 2025Q1. | No independent director expressed objection upon review by the Audit Committee. | N/A |
| 2025.08.05 | Audit Committee | Reported on the audit results of the Consolidated Financial Statements for 2025H1. | No independent director expressed objection upon review by the Audit Committee. | N/A |
| 2025.11.06 | Audit Committee | Reported on the audit results of the Consolidated Financial Statements for 2025Q3. | No independent director expressed objection upon review by the Audit Committee. | N/A |
| 2026.03.02 | Audit Committee | Reported on the audit results of the Consolidated and Parent Company Only Financial Statements for 2025. | No independent director expressed objection upon review by the Audit Committee. | N/A |

(2) The excerpt of communication between independent directors and the internal audit supervisor is as follows:

| Meeting Date | Nature of Meeting | Key Communication Points | Communication Status and Opinions of Independent Directors | Handling of Independent Directors' Opinions |
|--------------|-------------------|--------------------------|--|---|
|--------------|-------------------|--------------------------|--|---|

| | | | | |
|------------|-----------------|---|---|-----|
| 2025.03.03 | Audit Committee | <ol style="list-style-type: none"> 1. Reported on the implementation status of the 2024 audit plan and the follow-up on deficiencies. 2. The Company's 2024 Internal Control System Statement. 3. Amended the payroll cycle and decision-making authority matrix. 4. Amended the credit management regulations. | No independent director expressed objection upon review by the Audit Committee. | N/A |
| 2025.05.08 | Audit Committee | <ol style="list-style-type: none"> 1. Reported on the implementation status of the 2025Q1 audit plan and the follow-up on deficiencies. | No independent director expressed objection upon review by the Audit Committee. | N/A |
| 2025.08.05 | Audit Committee | <ol style="list-style-type: none"> 1. Reported on the implementation status of the 2025Q2 audit plan and the follow-up on deficiencies. 2. Amended the Company's sustainability information management procedures. | No independent director expressed objection upon review by the Audit Committee. | N/A |
| 2025.11.06 | Audit Committee | <ol style="list-style-type: none"> 1. Reported on the implementation status of the 2025Q3 audit plan and the follow-up on deficiencies. 2. Amended the payroll cycle and decision-making authority matrix. | No independent director expressed objection upon review by the Audit Committee. | N/A |
| 2025.12.24 | Audit Committee | <ol style="list-style-type: none"> 1. Reported on the implementation status of the November 2025 audit plan and the follow-up on deficiencies. 2. Approved the 2026 audit plan. 3. Approved amendments to the payroll cycle provisions. | No independent director expressed objection upon review by the Audit Committee. | N/A |
| 2026.03.02 | Audit Committee | <ol style="list-style-type: none"> 1. Reported on the implementation status of the 2025 audit plan and the follow-up on deficiencies. 2. The Company's 2025 Internal Control System Statement. 3. Amended the provisions on sales and collection cycle. | No independent director expressed objection upon review by the Audit Committee. | N/A |

(III) Corporate Governance Operation and the Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons for Such Differences

| Evaluation Item | Operational Status | | | Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons |
|--|--------------------|----|--|---|
| | Yes | No | Description | |
| I. Has the Company established and disclosed its Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies? | ✓ | | <ol style="list-style-type: none"> The Company has established Corporate Governance Best Practice Principles, which are disclosed on the Company's website and the Market Observation Post System (MOPS). Annual advocacy to directors, managers, and employees via e-mail, as well as the blackout period before financial report announcements, to prevent directors from inadvertently violating regulations. | No material difference |
| II. Company Shareholding Structure and Shareholders' Equity 1. Has the Company established internal operating procedures for handling shareholder proposals, questions, disputes, and litigation matters, and implemented them accordingly? | ✓ | | <ol style="list-style-type: none"> The Company convenes shareholders' meetings in accordance with the Company Act and relevant laws and regulations, and has established comprehensive rules of procedure. Matters that require resolutions by the shareholders' meeting are duly executed in accordance with the rules of procedure. In addition, the Company has established the Internal Handling of Material Information and Prevention of Insider Trading Procedures, and has designated spokespersons, acting spokespersons, and shareholder services units. Dedicated personnel handle shareholder proposals, questions, and disputes to ensure the protection of shareholders' rights and interests. If legal issues are involved, the matter will be handled by legal colleagues or legal advisors. Annual requirement: Conduct at least one education session per year for incumbent directors, managerial officers, and employees on relevant laws and regulations. | No material difference |
| 2. Has the Company obtained the list of the major shareholders and the ultimate controllers of the major shareholders? | ✓ | | The Company reports the shareholding changes of insiders (directors, managers, and shareholders holding more than 10%) on a monthly basis to the Market Observation Post System designated by the competent authority, in accordance with the law, and maintains good relations with investors. | No material difference |
| 3. Has the Company established and implemented risk control and firewall mechanisms with respect to its affiliated enterprises? | ✓ | | The Company has established the Regulations Governing the Supervision and Management of Subsidiaries and the Regulations Governing Related-Party Transactions to build and implement firewall and risk control mechanisms with respect to affiliated enterprises. | No material difference |
| 4. Has the company established internal regulations prohibiting insiders from trading securities using non-public information available in the market? | ✓ | | <ol style="list-style-type: none"> The Company has established the Internal Handling of Material Information and Prevention of Insider Trading Procedures, which prohibit insiders from trading securities using non-public market information, and serve as the basis for the Com- | No material difference |

| | | | | |
|--|---|--|---|------------------------|
| | | | <p>pany’s mechanisms for handling and disclosing material information. The Company also reviews these procedures from time to time to ensure compliance with current laws and practical management needs.</p> <p>2. Annual requirement: Conduct at least one education session per year for incumbent directors, managerial officers, and employees on relevant laws and regulations.</p> | |
| <p>III. Composition and Responsibilities of the Board of Directors</p> <p>1. Has the Board of Directors formulated a diversification policy, specific management objectives, and implemented them?</p> | ✓ | | <p>In accordance with the Corporate Governance Principles issued by the competent authorities, the composition of the Board of Directors should consider diversity. In addition to having only one director who also serves as a company manager, the Company has established appropriate diversity policies based on its operations, business model, and development needs. This includes considering fundamental qualifications and values, as well as professional knowledge and skills (such as law, finance and accounting, business management, expertise, marketing, or leadership decision-making), and ensuring that all members possess the knowledge, skills, and competencies required to effectively perform their duties. Considering the overall composition of the Board of Directors, the specific goal is for the Board to consist of members with diverse gender, age, professional knowledge, and backgrounds. At least one member should have a background in finance and accounting, and at least one other should have relevant management experience or a legal professional background. Currently, the Company’s Board consists of 10 members (including 4 independent directors and 6 general directors), with one director serving as both a managerial officer. The professional knowledge and skills of the board members cover various fields such as business management, finance, and accounting. Among the current directors, 5 have expertise in finance and accounting, 2 have relevant industry experience, 2 have legal professional backgrounds, and 1 has expertise in sustainable development. Additionally, there are 2 female directors, fully realizing the goal of board member diversity. This diverse composition greatly contributes to the Company’s future objectives, such as talent succession, equipment modernization, research and development of advanced products, building high-value industry chains, creating smart production and sales systems, and promoting the development of a circular economy.</p> | No material difference |
| <p>2. In addition to the legally required Compensation Committee and Audit Committee, has the Company voluntarily established other types of functional committees?</p> | ✓ | | <p>Considering the size of the Company’s Board of Directors and the number of independent directors, in addition to the mandatory establishment of a Compensation Committee and an Audit Committee as required by law, various business operations are also governed by internal control management mechanisms. Furthermore, the Company has established specialized project, operational, and decision-making meetings. These meetings are used to evaluate significant issues, providing the Board of Directors with relevant information to assist in fulfilling its supervisory responsibilities. In addition to the Compensation Committee, the Company has also established a Sustainable Development Committee, a cross-departmental Welfare Committee, and an Environmental Safety and Health Committee to contribute to employee care and society.</p> | No material difference |

| | | | |
|---|----------|---|-------------------------------|
| <p>3. Has the Company established performance evaluation procedures and methods for the Board of Directors, conducted regular annual evaluations, reported the evaluation results to the Board, and used them as a reference for individual directors' compensation and re-nomination?</p> | <p>✓</p> | <p>The Company established the Board Performance Evaluation Guidelines and evaluation methods on December 27, 2017. The performance evaluation is conducted annually, and the Compensation Committee regularly reviews the policies, systems, standards, and structures for evaluating the performance and compensation of directors and managers. The recommendations are then submitted to the Board of Directors for discussion.</p> | <p>No material difference</p> |
| <p>4. Does the Company conduct regular evaluations of the independence of the certifying accountants?</p> | <p>✓</p> | <p>To implement corporate governance, the Company conducts an annual evaluation of the independence and suitability of the CPAs. The Finance Department assesses the CPAs' independence and suitability once a year and keeps written records. At the end of each year, the evaluation results are compiled, approved by the responsible authority, and then reported to the Board of Directors. On March 2, 2026, the Company presented the 2025 audit quality indicators (AQIs) and the evaluation of the independence of the 2025 auditor and the suitability of the 2024 auditor during the 13th meeting of the 3rd Audit Committee and the 14th meeting of the 15th Board of Directors. After evaluation (details can be found in Table 1 below), for 2025, the audit was conducted by CPAs Mei-Lan Liu and Chih-Wei Lai from PwC Taiwan. The quality and timeliness of their audit and tax services met the required standards, and they were deemed qualified as the signing auditors. Due to internal rotation within PwC Taiwan, the signing auditors for the 2025 fiscal year were changed to CPA Mei-Lan Liu and CPA Chih-Wei Lai. Their individual qualifications are in line with the requirements for the auditing profession, and neither they nor the Company's directors have any direct or indirect financial interest relationships, ensuring substantial independence. They are fully qualified to serve as the Company's CPAs.</p> | <p>No material difference</p> |
| <p>IV. Does the listed company have an appropriate number of qualified corporate governance personnel and appoint a Corporate Governance Officer responsible for corporate governance matters (including but not limited to providing necessary information for directors and supervisors to perform their duties, assisting directors and supervisors in complying with laws and regulations, organizing Board and shareholder meetings, and preparing meeting minutes for both Board and shareholder meetings)?</p> | <p>✓</p> | <p>The Company's Corporate Governance Officer was approved by the Board of Directors on April 17, 2023, to be the Finance Manager. The Officer has more than three years of experience in financial and meeting management in publicly listed companies, meeting the regulatory requirements for the position. The Corporate Governance Officer is responsible for corporate governance matters and has designated personnel handling Board and shareholder meeting-related materials, records, and other related tasks. 2025 Business Execution Status:</p> <ol style="list-style-type: none"> 1. The continuing education status of directors and the Corporate Governance Officer is shown in Table 2. 2. Evaluated the purchase of Directors and Managerial Officers Liability Insurance for Board members, and reported the coverage details to the Board of Directors. 3. Convened communication meetings among CPAs, independent directors, and audit supervisors to implement the internal audit and control system. The minutes of the communication meetings are detailed in the Company's annual report. | <p>No material difference</p> |

| | | | | |
|---|---|--|---|------------------------|
| | | | <p>4. In accordance with the law, the Company handles the relevant matters for the Board of Directors and functional committees' meetings as follows: At least seven days before the meeting, all directors and committee members are notified of the meeting and provided with sufficient meeting materials to facilitate their understanding of the agenda. If a director has a conflict of interest regarding the meeting's agenda, either personally or through their represented entity, the director will be reminded in advance to abstain from participating. Meeting minutes are distributed to all directors within 20 days after the meeting.</p> <p>5. Took responsibility for issuing material information or announcements on major resolutions after Board and shareholders' meetings on the same day, to ensure the legality and accuracy of information disclosure and safeguard equal access to information for investors.</p> <p>6. Irregularly provided directors with newly issued regulations related to business execution, corporate governance, or company operations.</p> <p>7. Matters related to the shareholders' meeting are handled in accordance with laws and regulations: Each year, the meeting date is registered within the statutory deadline, and the meeting notice, agenda handbook, and minutes are prepared and submitted before the deadline.</p> | |
| V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and set up a dedicated stakeholder section on the company website to appropriately respond to important Corporate Social Responsibility issues raised by stakeholders? | ✓ | | The Company has established a spokesperson system, and through multiple channels such as the stakeholder section on the Company website and customer satisfaction surveys, it provides access to the latest company information and communication on important corporate social responsibility issues. | No material difference |
| VI. Has the Company appointed a professional stock affairs agency to handle shareholders' meeting matters? | ✓ | | The Company has appointed Stock Affairs Agency Department, Mega Securities Co., Ltd. as its stock affairs agent to assist in handling various stock affairs matters. | No material difference |
| VII. Information Disclosure 1. Has the Company established a website to disclose financial, business, and corporate governance information? | ✓ | | 1. Financial Information Disclosure Status: The Company has set up an investor relations section on its website to fully disclose financial status and corporate governance information. Additionally, a dedicated corporate sustainability section has been established to consolidate information on environmental, social, and governance (ESG) initiatives, allowing external stakeholders to gain real-time understanding. | No material difference |
| 2. Does the Company adopt other methods of information disclosure (such as establishing an English website, designating personnel responsible for collecting and disclosing com- | ✓ | | 1. Designated personnel are responsible for collecting and disclosing company information: The Company has established a bilingual (Chinese/English) website. Information collection and disclosure are carried out by designated personnel, and the latest and accurate company information is communicated to the public from time to time | No material difference |

| | | | |
|--|----------|---|-------------------------------|
| <p>pany information, implementing a spokesperson system, or posting the process of institutional investor conferences on the company website)?</p> | | <p>through press releases or material information announcements.</p> <p>2. Implementation of the Spokesperson System: The Company has appointed Vice President Kuan-Pin Huang as Spokesperson and Manager Hui-Fei Wang as Acting Spokesperson, and irregularly holds institutional investor conferences to ensure transparency of company information.</p> <p>3. Financial and business operation information disclosed during institutional investor conferences is not only published under the “Latest News” section of the Company’s website, but also entered into the Market Observation Post System in accordance with stock exchange regulations.</p> | |
| <p>3. Does the Company announce and file its annual financial report within two months after the end of the fiscal year, and also announce and file the first, second, and third quarter financial statements as well as monthly operating results ahead of the statutory deadlines?</p> | <p>✓</p> | <p>1. The Company has already announced and filed the first, second, and third quarter financial statements, along with monthly operating results, ahead of the statutory deadlines. However, the annual financial report has not yet been announced within two months after the end of the fiscal year; the Company will still complete the announcement and filing ahead of the legal deadline.</p> | <p>No material difference</p> |
| <p>VIII. VIII. Does the Company have other important information that helps to understand the Company’s corporate governance operations (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders’ rights, the professional development of directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the purchase of liability insurance for directors and supervisors)?</p> | <p>✓</p> | <p>1. Responsibility to Customers: The Company has obtained the IATF16949 and AS9100 certifications. After our German subsidiary obtained the IATF16949 certification, our Pingtung plant also acquired the IATF16949 certification in March 2020. Our quality policy is “to produce and deliver products that satisfy customers in a timely manner,” striving to provide customers with safe, high-quality products and complete and accurate product information. After product sales, we regularly conduct customer satisfaction surveys to meet customer needs.</p> <p>2. Responsibility to Shareholders: The Company regularly announces its financial status on its public website. Any material information is promptly disclosed on the Market Observation Post System, ensuring shareholders receive accurate financial data and significant information.</p> <p>3. Responsibility to Employees: (1) Establishment of the Employee Welfare Committee: The Company has set up an Employee Welfare Committee to organize various activities and provide subsidies for marriage, bereavement, childbirth, and travel. (2) To enhance employee work efficiency and ensure that both labor and management share the fruits of business performance, the Company has established regulations for production bonuses, target bonuses, and performance bonus assessments and distribution. In addition, the Company’s Articles of Incorporation stipulate that employee remuneration will be distributed in years when profits are achieved. (3) After employees join the Company, in addition to legally enjoying labor and health insurance benefits and retirement compensation, the Company also</p> | <p>No material difference</p> |

| | | | | |
|--|--|--|---|--|
| | | | <p>provides free group insurance, accident insurance, and medical insurance for all employees, offering greater protection for employees and their families.</p> <p>(4) The Company has established training procedures that include pre-employment training for new hires, on-the-job training, and management training. In addition, practical work training is conducted regularly according to functional needs, achieving the principle of “learning by doing and doing while learning.” At the same time, employees are encouraged to participate in external training or pursue further studies to enhance their work skills and knowledge. In addition, through monthly meetings and departmental meetings, the Company conveys its management philosophy and shares experiences to build team consensus, while also cultivating future reserve cadres.</p> <p>(5) To ensure the safety of employees at work, we provide and maintain a work environment that complies with both practical and regulatory safety and health requirements. The Company has obtained ISO45001 and ISO14001 certifications. Additionally, we regularly hold safety and health seminars for employees, such as fire safety training, collaborate with the community to conduct fire drills, and implement emergency evacuation route exercises, all aimed at minimizing any potential hazards that could lead to employee injury.</p> <p>4. Investor relations: The Company has established a dedicated spokesperson to ensure that information potentially affecting investors is expressed promptly and appropriately.</p> <p>5. Supplier relations: The Company maintains open and effective communication channels with suppliers at all times, enabling them to respond to issues promptly and achieve a win-win outcome.</p> <p>6. Relationship with stakeholders: Directors abstain from voting on proposals in which they have a conflict of interest.</p> <p>7. Director education and training: All of the Company’s directors possess professional backgrounds in the industry and practical management experience. The Company also periodically provides directors with information on courses related to corporate governance and securities regulations. Please refer to Table 2 for the education and training status of 2024.</p> <p>8. Implementation of risk management policies and risk measurement standards: The impact of financial risks, interest rates, exchange rate fluctuations, and inflation on the Company’s profit and loss, as well as future response measures, are as follows: The Finance Department evaluates and analyzes the Company’s overall risk positions and existing transactions in light of international political and economic conditions. This includes managing risks such as exchange rates and interest rates, with a conservative and prudent approach to risk avoidance. The hedging principle is based on the net position of natural hedging, and hedging tools include forward foreign exchange contracts, options, and derivative products in combination. These</p> | |
|--|--|--|---|--|

| | | | | |
|--|--|--|---|--|
| | | | <p>are handled according to the Company's established procedures and regularly disclosed. Moving forward, we will continue to monitor international political and economic conditions, aiming to minimize the impact of interest rate and exchange rate fluctuations on the Company's profit and loss.</p> <p>The Company approaches risk control across environmental sustainability, corporate governance, and social responsibility with the utmost rigor. Contingency measures are developed for each area, and a sustainability report is issued and disclosed on the Company's website.</p> <p>9. Circumstances regarding directors' and supervisors' liability insurance: The Company has purchased liability insurance for directors and managers, and reports to the Board each year after signing a new insurance contract.</p> | |
|--|--|--|---|--|

IX. Please explain the improvements made based on the most recent corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and propose priority areas and measures for those not yet improved:

Table 1.

SUPERALLOY INDUSTRIAL CO., LTD.

CPA independence and suitability assessment form for 2025

I. Evaluation explanation: In accordance with Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the listed company shall select a professional and independent audit firm as its certifying accountant. The Company is required to regularly (at least annually) assess the independence and suitability of the appointed accountant.

II. Basic information of the CPAs:

| | | | |
|-------------|-------------------------------------|--------------|------------|
| Name of CPA | CPA Mei-Lan Liu CPA Chih-Wei Lai | Name of Firm | PwC Taiwan |
|-------------|-------------------------------------|--------------|------------|

III. Evaluation Content:

Evaluation items formulated with reference to Article 47 of the Certified Public Accountant Act, Statement No. 10 of The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and the establishment of Audit Quality Indicators (AQIs):

| Independence requirements assessment (if any item is checked "No," further understanding of the specific facts is required) | | | | |
|---|--|--------------|----|---|
| Item | Assessment Content | Please check | | Note |
| | | Yes | No | |
| 01 | The CPA, their spouse, and minor children have no investment or financial interest relationship with the Company. | v | | Upon review of the Company's shareholder register, no such individuals were found. |
| 02 | The CPA, their spouse, and minor children have no lending or borrowing relationship with the Company. However, if the client is a financial institution and the relationship is part of normal business dealings, this restriction does not apply. | v | | Upon review of the Company's records, no lending or borrowing transactions were found between the Company and the individuals indicated. |
| 03 | The CPA firm has not issued any assurance service reports regarding the effective operation of financial information systems that it designed or assisted in implementing. | v | | No such circumstances were found. |
| 04 | Neither the CPA nor any members of the audit service team currently hold, or have held within the past two years, positions as directors, managerial officers, or other roles with significant influence over the Company's audit engagements. | v | | All directors and managerial officers of the Company have been verified to have no involvement in any of the circumstances described. |
| 05 | There is no direct impact on the audit engagement from the non-audit services provided to the Company. | v | | The provision of tax services does not impair independence |
| 06 | Neither the CPA nor any members of the audit service team have engaged in promoting or brokering the Company's issued stocks or other securities. | v | | PwC stated that it has not promoted or brokered the Company's issued stocks or other securities. The Company has also not engaged PwC to promote or broker its issued stocks or other securities. |

| | | | | |
|----|---|---|--|---|
| 07 | The CPA or members of the audit service team, except for services permitted by law and regulation, have not represented the Company in legal cases or other disputes with third parties. | v | | No such representation has occurred. |
| 08 | The CPA or members of the audit service team have no spousal, direct blood relative, direct in-law, or second-degree kinship with the Company's directors, managers, or individuals holding positions with significant influence over the audit engagement. | v | | The CPAs' declaration states that no such circumstances exist. |
| 09 | Within one year of resignation, no former joint-practicing CPA has served as a director, manager, or held any position with significant influence over the Company's audit engagement. | v | | All directors and managerial officers of the Company have been verified to have no involvement in any of the circumstances described. |
| 10 | The CPA or members of the audit service team have not accepted any significant gifts or special favors from the Company, its directors, managers, or major shareholders. | v | | The CPAs' declaration states that no such circumstances exist. |
| 11 | The CPA has not been employed by the client or the audited entity to perform regular work, receive fixed salaries, or serve as a director or supervisor. | v | | Upon review of the roster of directors, managers, and employees, no such circumstances were found. |
| 12 | TWSE/TPEX Listed Companies: The CPA has not provided audit services to the Company for seven consecutive years. Non-TWSE/TPEX Listed Companies: The CPA has not provided audit services to the Company for ten consecutive years. | v | | CPA Mei-Lan Liu has served as the Company's auditor since 2022. CPA Chih-Wei Lai shall serve as the Company's auditor starting 2025. |

Independence operations review (if any item is checked "No," further understanding of the specific facts is required)

| Item | Assessment Content | Please check | | Note |
|------|---|--------------|----|---|
| | | Yes | No | |
| 01 | Has the CPA, when having a direct or significant indirect interest in the entrusted matters that could affect impartiality and independence, recused themselves and not undertaken the engagement? | v | | No matters have been found that would affect impartiality or independence. |
| 02 | When issuing audit opinions on financial statement audits, reviews, re-examinations, or special audits, the CPA is required not only to maintain substantive independence but also to preserve formal independence. | v | | The CPAs' declaration states that no violations of independence were found. |
| 03 | Do the members of the audit service team, other joint-practicing CPAs, shareholders of the corporate CPA firm, the CPA firm | v | | The CPAs' declaration states that no violations of independence were found. |

| | | | | |
|----|--|---|--|---|
| | itself, its affiliated enterprises, and alliance firms also maintain independence with respect to the Company? | | | |
| 04 | Has the CPA carried out professional services with integrity and rigor? | v | | No violations of integrity have been identified. |
| 05 | Has the CPA, in performing professional services, maintained an impartial and objective stance and avoided any prejudice, conflicts of interest, or relationships that could impair professional judgment? | v | | No violations of impartiality or objectivity have been identified. |
| 06 | The CPA has not lost or lacked independence in a way that would compromise integrity or impartiality. | v | | The CPAs' declaration states that no violations of independence were found. |

Competency assessment (if any item is checked "No," further understanding of the specific facts is required)

| Item | Assessment Content | Please check | | Note |
|------|--|--------------|----|--|
| | | Yes | No | |
| 01 | The CPA has had no disciplinary records from the CPA Discipline Committee in the past two years. | v | | No such circumstance was found in the CPA disciplinary list published by the Financial Supervisory Commission. |
| 02 | Does the CPA firm have sufficient scale, resources, and regional coverage to handle the Company's audit services? | v | | PwC Taiwan, as part of the international PwC alliance, has sufficient scale, resources, and regional coverage to handle the audit services. |
| 03 | Does the CPA firm have clear quality control procedures? Does the scope covered include the levels and key points of audit procedures, the methods for handling audit issues and judgments, the quality control review of independence, and the management of risks? | v | | Upon inquiry with the CPA, it was confirmed that the firm has clear internal quality control procedures. These cover the levels and key points of audit procedures, methods for handling audit issues and judgments, quality control reviews of independence, and risk management. |
| 04 | Does the CPA firm, in matters of risk management, corporate governance, financial accounting, and related risk controls, promptly notify the Board of Directors (Audit Committee) of any significant issues and developments? | v | | The CPA regularly communicates audit risks with the governance body—the Board of Directors (Audit Committee)—and promptly shares updates such as new regulations with the Company. |

Other supplementary matters:

IV. Evaluation Results:

After evaluation, the CPAs appointed by the Company have not been found to have any issues related to the independence evaluation criteria mentioned above. Additionally, referring to the audit quality indicators (AQIs) provided by the Financial Supervisory Commission, which assess aspects such as financial interests, business relationships, and employment relationships, the evaluation results confirm that the appointed

CPAs meet the independence and suitability standards, ensuring the reliability of the financial reports issued.

Date of Assessment: February 13, 2026

Evaluating Unit: The Company's Accounting Department, with submission approved by the Board of Directors on March 2, 2026.

Table 2. Continuing Education Status of Directors and the Corporate Governance Officer in 2025

| Name | Training Date | Organizer | Course Title | Training Hours |
|---|---------------|---|--|----------------|
| Chairman Tsung-Jung Huang | 2025/07/31 | Other (Taiwan Stock Exchange) | 2025 Taiwan Capital Market Summit | 3.0 |
| | 2025/11/21 | Securities & Futures Institute | Legal Compliance Briefing on Insider Equity Transactions for 2025 | 3.0 |
| Director Lung-Cheng Wei | 2025/10/22 | Taiwan Academy of Banking and Finance | Corporate Governance Forum | 3.0 |
| Director Ke-Chang Liu | 2025/6/25 | Taiwan Academy of Banking and Finance | Corporate Governance Forum | 3.0 |
| | 2025/11/21 | Securities & Futures Institute | Legal Compliance Briefing on Insider Equity Transactions for 2025 | 3.0 |
| Director Mao-Lin Shih | 2025/01/17 | Taiwan Corporate Governance Association | Corporate Governance and Securities Regulation | 3.0 |
| | 2025/06/04 | Taiwan Corporate Governance Association | ESG Latest Regulatory Requirements | 3.0 |
| Representative Shun-Chung Wang | 2025/11/21 | Securities & Futures Institute | Legal Compliance Briefing on Insider Equity Transactions for 2025 | 3.0 |
| Representative Chiu-Yueh Chang | 2025/07/09 | Other (Taiwan Stock Exchange) | 2025 Cathay Sustainable Finance and Climate Change Summit | 3.0 |
| | 2025/11/21 | Securities & Futures Institute | 2025 Seminar on Preventing Insider Trading | 3.0 |
| Independent Director Ding-Wang Cheng | 2025/07/09 | Other (Taiwan Stock Exchange) | 2025 Cathay Sustainable Finance and Climate Change Summit | 6.0 |
| Independent Director Wan-Yu Liu | 2025/05/20 | Securities & Futures Institute | Latest practical developments in insider trading in Taiwan and corporate prevention measures (including gender equality) | 3.0 |
| | 2025/05/20 | Securities & Futures Institute | Sustainability disclosure trends — IFRS S1 and S2 sustainability disclosure standards: Issuance, impacts, and responses | 3.0 |
| Independent Director Ming-Shiou Cherng | 2026/01/22 | Taiwan Project Management Association | Digital Governance and Information Security: Perspectives on Risk Management | 3.0 |
| Independent Director Wun-Zong Chen | 2025/07/09 | Other (Taiwan Stock Exchange) | 2025 Cathay Sustainable Finance and Climate Change Summit | 3.0 |
| | 2025/11/21 | Securities & Futures Institute | Legal Compliance Briefing on Insider Equity Transactions for 2025 | 3.0 |
| Corporate Governance Officer Hui-Fei Wang | 2025/10/16 | Financial Supervisory Commission | The 15th Taipei Corporate Governance Forum | 6.0 |
| | 2025/07/09 | Taiwan Stock Exchange | 2025 Cathay Sustainable Finance and Climate Change Summit | 6.0 |
| | 2025/06/25 | Taiwan Academy of Banking and Finance | Corporate Governance Forum | 3.0 |

(IV) Composition, Responsibilities, and Operations of the Compensation Committee

1. Information on the Members of the Compensation Committee:

All members of the Company’s Compensation Committee are independent directors. Their professional qualifications and experience, independence status, and the number of other public companies’ Compensation Committees they concurrently serve on are detailed in the table below.

| Name | | Professional qualifications and experience | Independence status | Number of companies in which the individual is concurrently an independent director |
|---|------------------|---|---|---|
| Independent Director | Ding-Wang Cheng | Expertise: Financial accounting specialization Education: PhD in Accounting, University of Missouri, United States Other main positions: Independent Director, HannsTouch Solution Inc.; Independent Director, Acepodia, Inc. Previous experience: President, National Chengchi University | Complies with the independence requirements set forth in the “Regulations Governing the Establishment and Compliance Matters of Independent Directors of Public Companies.” | 1 |
| Independent Director | Ming-Shiou Cheng | Expertise: Legal profession Education: PhD in Law, University of Münster, Germany Other Major Positions: Professor, Department of Law, Soochow University; Independent Director, Celxpert Energy Corp. | Complies with the independence requirements set forth in the “Regulations Governing the Establishment and Compliance Matters of Independent Directors of Public Companies.” | 1 |
| Independent Director | Wen-Tsung Chen | Expertise: Finance and Financial Management Education: Department of Finance, National Chung Hsing University Previous Experience: Vice President, China Bills Finance Corp. | Complies with the independence requirements set forth in the “Regulations Governing the Establishment and Compliance Matters of Independent Directors of Public Companies.” | 0 |
| All Directors of the Company (including Independent Directors) are free from any circumstances specified under Article 30 of the Company Act. | | | | |

2. Responsibilities of the Compensation Committee:

Regularly review the organizational rules of the Compensation Committee Charter and propose amendments.

Formulate and regularly review the performance evaluation standards for the Company’s directors and managers, set annual and long-term performance goals, and establish policies, systems, standards, and structures for compensation. The content of the performance evaluation standards shall be disclosed in the annual report.

Regularly assess the achievement of the Company’s directors’ and managerial officers’ performance goals, and based on the evaluation results obtained from the performance standards, determine the content and amount of their individual compensation. The annual report shall disclose the individual performance evaluation results of directors and managers, as well as the content and amount of their individual compensation, together with the correlation and reasonableness between compensation and performance evaluation results. This shall also be reported to the Shareholders’ Meeting.

3. Information on the Operation of the Compensation Committee:

(I) The Company’s Compensation Committee consists of three members.

The term of office for the current committee members is from November 13, 2023, to November 13, 2026. Up until the date of printing of the annual report for the most recent year (2025), the 6th Compensation Committee held a total of 3 meetings. The attendance of the salary and compensation committee members at these meetings is as follows:

| Position | Name | Number of Actual Attendances (B) | Number of Proxy Attendances | Actual Attendance Rate (%) (B/A) (Note) | Note |
|--|-------------------|----------------------------------|-----------------------------|---|------|
| Committee Member | Ding-Wang Cheng | 3 | 0 | 100.00 | |
| Convener | Ming-Shiou Cherng | 3 | 0 | 100.00 | |
| Committee Member | Wen-Tsung Chen | 3 | 0 | 100.00 | |
| Other Matters to Be Recorded: | | | | | |
| I. If the Board of Directors does not adopt or amend the recommendations of the Compensation Committee, it shall specify the date of the board meeting, the session, the content of the proposal, the resolution result, and how the Company handled the Compensation Committee’s opinion: No such circumstances. | | | | | |
| II. If there are any objections or reservations from the members of the Compensation Committee regarding the resolution matters, and if there are records or written statements, the following details should be provided: the date of the Compensation Committee meeting, session number, content of the proposal, opinions of all members, and how those opinions were addressed: No such circumstances. | | | | | |

(V) Implementation of Sustainable Development and Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, along with Reasons

| Implementation Item | Implementation Status | | | Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons |
|---|-----------------------|----|--|--|
| | Yes | No | Description | |
| I. Has the Company established a governance structure for promoting sustainable development, set up a dedicated (or concurrent) unit for this purpose, authorized senior management to handle related matters, and ensured oversight by the Board of Directors? | ✓ | | 1. The Company formally established the Sustainable Development Committee in 2022. 2. To ensure the implementation of key business decisions related to corporate social responsibility and sustainable development, and to strengthen the corporate governance system, we are actively committed to the three main areas of Environmental (E), Social (S), and Governance (G) factors. This allows the Board of Directors to effectively fulfill its responsibilities and safeguard the interests of the company, employees, shareholders, and stakeholders. To effectively promote these initiatives, the committee established four working groups: the Corporate Governance Group, the Environmental Sustainability Group, the Social Care Group, and the Supply Chain Management Group. Each working group is convened by the head of the relevant department, who is responsible for overseeing the group's operations, attending meetings, assisting members in implementing various plans, and periodically reporting the handling status to the Board of Directors. | No material difference |
| II. Has the Company conducted risk assessments of environmental, social, and corporate governance (ESG) issues related to its operations in accordance with the principle of materiality, and formulated relevant risk management policies or strategies? | ✓ | | 1. The Company selects its material topics through stakeholder questionnaires to conduct risk assessments on environmental, social, and governance (ESG) issues related to its operations. Relevant risk management policies, strategies, and performance evaluations are then established. 2. In accordance with the Company's "Risk Management Procedures," the Company identifies, analyzes, assesses, responds to, monitors, and reports risks through a systematic management process. Utilizing a risk matrix for analysis, the key risk items requiring priority attention are identified, and based on this, an annual audit plan is developed and implemented. At the same time, through the application of a risk matrix, the Company can comprehensively assess the likelihood of occurrence, potential impact, and risk level of various risk events. In addition, based on the risk levels, the Company has formulated corresponding management strategies to strengthen operational resilience, continuously improve management effectiveness, and ensure sound business operations. 3. Relevant information is disclosed on the Company's official website and in the ESG Report. | No material difference |
| III. Environmental Issues (1) Has the Company established an appropriate environmental management system in accordance with the characteristics of its industry? | ✓ | | The Company has obtained ISO 14001 Environmental Management System certification, ISO 45001 Occupational Health and Safety Management, ISO 50001 Energy Management System certification, and ISO 14064-1 Greenhouse Gas Inventory certification. In accordance with management regulations, annual re-assessments and inventories are conducted to ensure the effectiveness of implementation. | No material difference |
| (2) Is the Company committed to improving energy efficiency and using recycled materials with low environmental impact? | ✓ | | 1. The Company's acquisition of the ISO 50001 Energy Management System is aimed at improving energy efficiency, reducing greenhouse gas emissions, and lowering corporate energy expenditure costs. In 2024, the Company achieved an average energy saving of 2.06% compared with the base year, and the target for 2025 is an average energy saving of 1.5% compared with the base year. | No material difference |

| | | | | |
|------------------|--|---|--|------------------------|
| | | | <p>2. The Company has established resource usage management procedures, actively enhancing the recycling and reuse of waste materials and resources to effectively reduce resource wastage. In 2024, compared to the baseline year of 2022, waste reduction was achieved at 25.1%. Additionally, the target for solvent consumption per unit of wheel rim is set to reduce by 30% compared to the baseline year by 2025.</p> <p>3. The Company operates a smelting plant to recycle and reuse aluminum scraps generated during the production process. In 2024, the usage rate of recycled aluminum materials was 35.53%, with a target of 38% for 2025. The goal for 2026 is to achieve a recycled aluminum material usage rate of at least 50%.</p> | |
| (3) | Has the Company assessed the potential risks and opportunities of climate change for its current and future operations, and adopted corresponding response measures? | ✓ | <p>The Company regularly holds ESG meetings to review internal potential risks and adopt corresponding countermeasures, and has already achieved results in energy conservation and carbon reduction: (1) In 2025, energy savings increased 1.5% compared to 2024. (2) Through the ISO 14064-1 Greenhouse Gas Management Standard, the Company continued to undergo verification by a third-party inspection agency in March 2025, successfully passing the audit. By using scientific methods to calculate greenhouse gas emissions, this contributes to advancing future carbon reduction efforts. Relevant data is disclosed on the Company's official website and in the 2024 ESG Report.</p> | No material difference |
| (4) | Has the Company compiled statistics on its greenhouse gas emissions, water consumption, and total waste weight over the past two years, and formulated policies for greenhouse gas reduction, water conservation, or other waste management? | ✓ | <p>1. The Company has obtained ISO 14064-1 Greenhouse Gas Management Standard, conducting inventory and statistics of greenhouse gas emissions. In 2024, the carbon emissions reduction compared to the baseline year is 8.4%. The goal for 2025 is to reduce emission intensity by 23%. Additionally, the Company has achieved ISO 14001-1 Environmental Management System certification, tracking and monitoring annual water consumption with a wastewater recovery rate target. In 2024, the wastewater recovery rate at the Yunlin plant was 21.84%, with a target of 30% for 2025. The Company also monitors the total weight of waste generated monthly, and in 2024, waste was reduced by 25.1% compared to the baseline year 2022. The target for organic solvent consumption per unit of wheels in 2025 is a 30% reduction compared to the baseline year. Furthermore, the Company has obtained ISO 50001-1 Energy Management System certification, tracking and monitoring electricity usage. In 2024, the average energy savings compared to the baseline year reduced by 2.06%, and the 2025 target is a 1.5% reduction in average energy consumption compared to the baseline year. Through management, the Company is able to effectively control and review its reduction and waste-minimization policies.</p> <p>2. Approval of the Company's acquisition of the ISO 50001 Energy Management System, aimed at improving energy efficiency, reducing greenhouse gas emissions, and lowering corporate energy expenditure costs.</p> <p>3. The Company has established office environmental management procedures and energy resource usage management procedures. Each month, evaluations and reviews are conducted on energy resource usage and recycling practices to achieve effective control and energy-saving results.</p> <p>4. The Company has established waste management regulations, under which waste management and disposal are handled in accordance with relevant legal requirements, ensuring that all generated waste is properly controlled and treated.</p> | No material difference |
| IV.Social Issues | | | | |
| (1) | Has the Company established relevant management policies and procedures in accordance with applicable regulations | ✓ | <p>1. SAI respects and supports internationally recognized human rights norms and principles, including the Universal Declaration of Human Rights, UN Global Compact, and International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The Company complies with local laws and regulations and has formulated a</p> | No material difference |

| | | | |
|--|---|---|------------------------|
| and the International Bill of Human Rights? | | <p>human rights policy based on the UN Guiding Principles on Business and Human Rights. Through the “Protect, Respect, and Remedy” framework in its human rights management, SAI endeavors to mitigate human rights risks for employees, suppliers, partners, and the environments in which it operates. Remedial measures are employed to mitigate the impact of human rights incidents.</p> <p>2. To fulfill our commitment to human rights and corporate social responsibility, The Company regularly conducts internal Human Rights Impact Assessments (HRIA). Based on employee risk exposure, we develop risk control measures to ensure that our operations do not pose any human rights violation risks to employees or stakeholders, and we establish corresponding preventive and corrective mechanisms.</p> <p>3. In 2025, SAI had no significant instances of human rights violations.</p> <p>4. The relevant regulations are disclosed in the 2024 ESG Report and on the Company’s official website.</p> | |
| (2) Has the Company established and implemented reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflected business performance or results in employee compensation? | ✓ | <p>1. The Company has established an Employee Welfare Committee that provides various welfare assistance, educational incentives, and a wide range of recreational and cultural activities.</p> <p>2. The Company has established a leave management policy that not only complies with the requirements of the Labor Standards Act but also provides employees with travel subsidies.</p> <p>3. The Company offers a compensation system that is above the industry average to create a secure work environment and allow employees to enjoy their lives. We also have a performance appraisal system in place, ensuring that performance evaluations are carried out effectively. Additionally, a clear Reward and Discipline Management Policy has been established to maintain a transparent and fair reward and punishment mechanism.</p> | No material difference |
| (3) Does the Company provide employees with a safe and healthy working environment and conduct regular safety and health education? | ✓ | <p>1. The Company has established a health management policy and passed ISO 45001 Occupational Health and Safety Management certification. Additionally, the Company has designated personnel responsible for the safety and health maintenance of employees and their work environment. Apart from requiring all new employees to undergo physical examinations and health education training upon joining the Company, we also provide annual safety and health education training for current employees, as well as free health check-ups for employees and their families, along with regular on-site doctor services.</p> <p>2. Conducts regular internal Human Rights Impact Assessments (HRIA) to assess employee risk exposure and develop risk management measures.</p> | No material difference |
| (4) Has the Company established effective career development training programs for employees? | ✓ | The Company has established human resource management procedures and an on-the-job training management procedure. These procedures outline training plans for both new hires and current employees. In addition to participating in external training, we also train internal instructors and conduct regular internal education and training sessions. | No material difference |
| (5) Does the Company, with respect to customer health and safety, client privacy, marketing, and labeling issues related to its products and services, comply with relevant regulations and international standards, and establish policies and grievance procedures to protect consumer or client rights? | ✓ | <p>1. The Company’s exported products all carry a DUNS Number, ensuring accountability in product marketing and labeling.</p> <p>2. The Company has established a customer service department to promptly address any issues raised by clients regarding its products.</p> <p>3. The Company has introduced TISAX to strengthen the protection of customer products.</p> <p>4. The Company has also established a whistleblowing mechanism and provides stakeholders with reporting and grievance channels through its official website.</p> | No material difference |

| | | | |
|---|---|---|------------------------|
| <p>(6) Has the Company established a supplier management policy requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, and labor rights, as well as monitoring their implementation?</p> | ✓ | <p>The Company, in its supplier management process, forms an evaluation team for on-site visits and conducts regular assessments, including environmental, health, and safety evaluations. An annual environmental, health, and safety management survey is carried out, and if a supplier is classified as a D-level vendor, an environmental, health, and safety survey evaluation is conducted every six months. If classified as an E-level vendor, business transactions are suspended. Additionally, the Company requires suppliers to sign a Supplier Code of Conduct that aligns with environmental protection, labor rights, and other related issues, which is published on the Company’s website. By 2025, the signatory rate for the Supplier Code of Conduct among key suppliers is set to reach 100%.</p> | No material difference |
| <p>V. Has the Company prepared its ESG Report or other disclosures of non-financial information with reference to internationally recognized reporting standards or guidelines? Has the aforementioned report obtained assurance or verification opinions from a third-party certification body?</p> | ✓ | <p>The Company follows the Global Reporting Initiative (GRI) ESG Reporting Standards “Core Option” for its reporting, while also referring to the Sustainability Accounting Standards Board (SASB) standards and the Task Force on Climate-Related Financial Disclosures (TCFD) framework for the preparation of the sustainability report. Additionally, the Company applies for and successfully obtains assurance from TUV NORD Taiwan which is published in the Company’s annual report and on the website.</p> | No material difference |
| <p>VI. If the Company has its own sustainability code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please explain the operation and differences between the Company’s established code and the guidelines: The Company has established a Sustainable Development Committee and formulated its own regulations for the committee. Through the identification of stakeholders, we select and manage significant topics for continuous improvement. Therefore, there are no major differences between the Company’s principles and the guidelines.</p> | | | |
| <p>VII. Other important information to understand the implementation of sustainable development: In addition to establishing a Sustainable Development Committee, the Company upholds the spirit of fulfilling social responsibility and giving back to society with the principle of “if others are hungry, we are hungry too.” Apart from actively improving employee welfare and caring for each employee’s family, the Company is also committed to donating for emergency disaster relief across regions. Furthermore, the Company has set up the Yunlin County Fude SAI Social Welfare Charity Foundation, which is funded by directors and shareholders. In 2024, donations included NT\$1.2 million for the construction of the Long-term Care Teaching Building at National Taiwan University Hospital in Douliu, NT\$1 million to the Pingtung County Government for social welfare and public welfare, NT\$532,000 to Taiwan World Vision for after-school care and scholarships for disadvantaged children, NT\$500,000 to Yunlin County Government for the 2025 National Games, and NT\$1.669 million for various charity activities including the Mid-Autumn Festival Care Gifts for the Huashan Foundation and Genesis Social Welfare Foundation, as well as contributions to events like the Dounan Da Dong Elementary School, the Xinchuan Basketball Association basketball team, Yunlin County Library books, employee emergency relief, and the Fire Bureau’s summer camp activities, totaling about NT\$2.257 million. To respond to Corporate Social Responsibility (CSR) and implement the concept of environmental sustainability, the Company hosted various events, such as a beach cleanup activity on April 11, 2025, to create a sustainable future, partnering with World Vision Taiwan on May 14, 2025, to accompany disadvantaged children with love, and co-hosting the “2025 Sustainable Love for the Earth Charity Fair” on May 24, 2025, with Douliu Squirrel Forest Park and the Genesis Social Welfare Foundation. On June 27, 2025, the Company also partnered with Tudigogo to plant 90 Australian tea trees in Lunbei Township, Yunlin, and support local elderly in three villages with meal services to continue goodwill. On December 23, 2025, Taiwan World Vision’s annual corporate care action, with the Tsou Angel Cultural Team will turn support into a long-term commitment to accompany vulnerable children.</p> | | | |

Climate-related information for listed and OTC (Over-the-Counter) companies

1. Climate-related Information and Implementation

| Items | Implementation Status | | | | | | | | | | | | | | |
|--|--|----------------------------|-------------------------|----------------------------|-------------------------|--------------------------|----------------------|----------------|--|--|--|--|--|--|--|
| <p>1. Outline the Board and management’s supervision and governance of climate-related risks and opportunities.</p> | <p>The Company, in response to the high uncertainty of climate change and the rapid changes in policies and markets, regularly convenes senior executives from various departments to identify major climate risks and opportunities, in order to timely grasp and estimate the potential impacts of climate change. At the same time, the Company further assesses the risks that floods, droughts, typhoons, and high temperatures may pose to each operational site, with the aim of understanding the external environmental climate changes and market dynamics. This allows us to more comprehensively consider the overall operational strategy and planning, while also disclosing it in the Company’s ESG Report. (Please refer to the Company’s 2024 ESG Report.)</p> <p>The Board of Directors has established a Sustainable Development Committee, composed of two board members with professional knowledge and expertise in corporate sustainability, as well as the Chairman of the Board, as authorized by the Board. The committee meets regularly and is responsible for formulating, promoting, and strengthening the action plans and capital expenditures for sustainability policies (including climate-related issues) within the group companies. It also reviews, tracks, and revises the implementation and effectiveness of sustainable development initiatives, reporting its findings to the Board of Directors. Under the Committee, there is also a task force composed of senior executives, including a Sustainable Environment Group. This group is responsible for managing the environmental management system, ensuring compliance with environmental regulations and international standards, assessing sustainability transformation, improving resource utilization, and developing climate change response mechanisms. Additionally, it establishes dedicated units or personnel for environmental management and holds cross-departmental meetings regularly to facilitate discussion and coordination, aiming to achieve environmental sustainability goals.</p> <p>In addition, other functional committees are also responsible for the governance of certain climate-related issues, including: The Audit Committee holds meetings quarterly, during which it listens to reports from the internal audit manager on the work carried out by the internal audit department regarding the design and effectiveness of internal controls related to climate-related risks, as well as audit findings.</p> | | | | | | | | | | | | | | |
| <p>2. Explain how the identified climate risks and opportunities impact the business, strategy, and finances of the enterprise in the short, medium, and long terms.</p> | <p>The risk management policy of the Company and its subsidiaries is defined in accordance with the overall business guidelines, establishing a risk management mechanism that enables early identification, accurate measurement, effective supervision, and stringent control of various risks. Within the acceptable risk range, this mechanism aims to prevent potential losses. It continuously adjusts and improves best risk management practices based on changes in internal and external environments to protect the interests of employees, shareholders, partners, and customers, enhance company value, and achieve the optimal allocation of company resources.</p> <p>The Company is actively developing solutions, aiming to reduce the operational and financial impacts brought about by climate change and enhance the organization’s climate resilience. Internal target management timelines are defined as short-term for impacts under two years, medium-term for three to five years, and long-term for over five years. The following risks have been assessed, and potential climate-related risks and opportunities that could cause significant financial impacts, along with corresponding response strategies, are as follows:</p> <table border="1" data-bbox="768 1198 2033 1342"> <thead> <tr> <th data-bbox="768 1198 846 1342"></th> <th data-bbox="846 1198 943 1342">Risks and Categories</th> <th data-bbox="943 1198 1093 1342">Short-term (Under 2 years)</th> <th data-bbox="1093 1198 1243 1342">Medium term (3-5 years)</th> <th data-bbox="1243 1198 1393 1342">Long term (Over 5 years)</th> <th data-bbox="1393 1198 1621 1342">Financial Impact –/+</th> <th data-bbox="1621 1198 2033 1342">Countermeasure</th> </tr> </thead> <tbody> <tr> <td colspan="7" style="height: 40px;"></td> </tr> </tbody> </table> | | Risks and Categories | Short-term (Under 2 years) | Medium term (3-5 years) | Long term (Over 5 years) | Financial Impact –/+ | Countermeasure | | | | | | | |
| | Risks and Categories | Short-term (Under 2 years) | Medium term (3-5 years) | Long term (Over 5 years) | Financial Impact –/+ | Countermeasure | | | | | | | | | |
| | | | | | | | | | | | | | | | |

| | | | | | | | |
|--|------|----------------|--|---|-------------------------------------|--|--|
| | Risk | Transformation | Greenhouse Gas Emissions Management and Carbon Taxation | Market Information and Customer Behavior Changes; Adding Renewable Energy Regulatory Requirements | Net Zero Emissions Trend | <ul style="list-style-type: none"> – Paying carbon fees increases operating costs – Procurement of renewable energy certificates increases operating costs – Violating regulatory requirements may result in fines, leading to increased operating expenses – Installation and operation costs of carbon reduction equipment increase | <p>In accordance with ISO 14064-2 standards, we plan to replace high-energy-consuming machinery, increase the use of renewable energy, and reduce greenhouse gas emissions. Increase the scale of renewable energy generation to enhance the proportion of self-supplied electricity.</p> <p>Set up an energy management platform to monitor electricity usage in the production process, plan energy consumption reduction initiatives, and lower overall energy use.</p> |
| | | Entity | Increased severity and frequency of extreme weather events such as droughts; insufficient resources, and unstable water and electricity supply | Increased operational disruptions and operating costs | Rising average temperatures | <ul style="list-style-type: none"> – Work stoppages lead to operational losses – Procurement of external water or electricity leads to increased operating costs | <p>Diversification of operational site selection and machining subcontractors to facilitate production transfer during factory operation interruptions</p> <p>Sign contracts with water suppliers to provide water trucks during water shortages to maintain production; increase the proportion of renewable energy to supply electricity to the plant during power outages.</p> |
| | | Opportunity | Transition to low-carbon emission technology services. | Increased demand from customers for sustainable and low-carbon products | Enhancement of corporate reputation | <ul style="list-style-type: none"> – Developing low-carbon processes and plastic-reduction technologies will increase R&D costs. If the development fails, it could result in financial losses. – Decrease in market sales may lead to a decline in revenue + Increase the sales ratio of low-carbon products, thereby boosting revenue + Improve fundraising accessibility and reduce capital costs | <p>Evaluate the cost of equipment introduction and the environmental and financial benefits of the product, select higher energy-efficient machinery, and opt for low-pollution raw materials to reduce environmental pollution. The Company evaluates product life cycles to provide customers with low-carbon products, enhances energy efficiency during usage through product design, and remelts recycled aluminum scrap from production processes to produce secondary aluminum as raw material, reducing carbon emissions by more than 95%.</p> <p>Enhance the Company’s green image through transparent disclosure; Strengthen corporate governance to establish a culture where the Company values climate-related issues and takes action, improving sustainability ratings to build a strong, positive image.</p> |

3. Explain the impact of extreme weather events and transition actions on finances.

Impact of Extreme Climate on Finances

Through internal discussions, inventorying, and assessments, the Company has identified potential risks to the production or transportation stages posed by extreme climate changes, such as flooding, droughts, and shifts in precipitation and climate patterns. Severe rainfall causing flooding can lead to the suspension of operations at production sites and equipment damage, resulting in temporary shipping delays. On the other hand, drought and water shortages can affect normal production line operations. During periods of water scarcity, measures such as reducing water usage, transporting water through water trucks across regions, or transferring goods from other factories are required to maintain supply, which increases operational costs. The Company, referencing the “Climate Change Disaster Risk Adaptation Platform,” evaluated the physical flood risk under the RCP 8.5 scenario (4°C temperature increase) and the RCP 6.0 scenario (2°C temperature increase). The assessment results indicate that SAI’s Yunlin and Pingtung factories are located in low-risk flood areas, posing no significant financial impact.

| | |
|---|--|
| | <p><u>Impact of Transition Actions on Finances</u> Under transition risks, the shift to a low-carbon economy may face extensive policy and regulatory, technological, and market changes. Based on the nature, speed, and focus of the aforementioned changes, within the analysis time frame, carbon fees, greenhouse gas total cap regulations, and renewable energy regulations may lead to increased operating costs. Considering that the Company already produces and sells some low-carbon products and continues to innovate and expand the diversity of related products, market sales under various scenarios have not had a significant impact. Therefore, the Company focuses on analyzing operating costs. In the scenario of low-carbon transformation, carbon pricing will have a financial impact on the Group, leading to increased operating and supply chain costs. The Company addresses transformation risks by implementing energy-saving and carbon-reduction projects, aiming to minimize the impact on the climate from energy consumption, water usage, and waste within operations and the supply chain. This includes improving energy efficiency, investing in green energy equipment, and dedicating efforts to the research and development of green products that meet consumer demands. The financial impact of this project on the Company will result in increased capital investment and operating costs.</p> |
| <p>4. Explain how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p> | <p>The Board of Directors is the highest decision-making body for the Company’s risk management, directly overseeing the Company’s risk governance framework. To enhance risk assessment and strengthen management functions, the Board of Directors amended the Sustainability Information Management Procedures in August 2025 and established a risk management framework. The President is responsible for coordinating and overseeing the overall risk management, with the President’s Office assisting in compiling the information, including the physical and transitional risks associated with climate change. The President will lead the planning of corresponding mitigation measures to control the risks arising from various business operations within an acceptable range, establishing sound principles for risk management operations. The heads of various departments conduct risk identification and analysis across six major areas: operations, financial economy, environment, technology and information security, human factors, and legal and other risks. They also update the annual key risk identification matrix. Based on the results of risk identification, each department develops corresponding strategies for addressing these risks. These strategies are integrated and managed to address risks that may impact operations and profitability. At least once a year, a management execution and risk control report is submitted to the Board of Directors, to monitor and track the performance of the management team’s risk management execution, with the aim of strengthening the overall corporate structure.</p> |
| <p>5. If utilizing scenario analysis to assess resilience against climate change risks, provide details on the scenarios, parameters, assumptions, analysis factors, and key financial impacts.</p> | <p>Although scenario analysis cannot predict the future, it enables the Company to better understand how climate change may impact its operations. Essentially, scenario analysis is a critical tool for strategic planning, risk management, and assessing the flexibility of company strategies. The Company, referencing the “Climate Change Disaster Risk Adaptation Platform,” evaluated the physical flood risk in the county/city where our plants are located under the RCP 8.5 scenario (4°C temperature increase) and the RCP 6.0 scenario (2°C temperature increase). The adopted risk classification is consistent with TCFD recommendations, and it simulates and evaluates the potential impacts of both transition and physical risk factors on the Company.</p> <p><u>Transition Risk</u> Under transition risks, the shift to a low-carbon economy may face extensive policy and regulatory, technological, and market changes. Based on the nature, speed, and focus of the aforementioned changes, within the analysis time frame, carbon fees, greenhouse gas total cap regulations, and renewable energy regulations may lead to increased operating costs. Considering that the Company already sells low-carbon products (such as recycled aluminum) and continues to innovate and expand the diversity of related products, there has been no significant impact on sales under various scenarios. Therefore, the Company focuses on analyzing operating costs.</p> <p><u>Evaluation of the main financial impacts of transition risks under different scenarios</u> The Company’s carbon pricing has been approved by the Ministry of the Environment through the Carbon Fee Review Committee for its voluntary reduction plan (Official Reference No.: Huan-Bu-Shou-Qi-Zi No. 1159001403). The discount for each ton of carbon is NT\$100. The Company addresses transformation risks by implementing energy-saving and carbon-reduction projects, minimizing the impact on the climate from energy consumption, water usage, and waste within operations and the supply chain. This includes improving energy efficiency, investing in green energy equipment, and dedicating efforts to the research and development of green products that meet consumer demands.</p> <p><u>Physical Risk</u></p> |

| | <p>Physical risks may be immediate or long-term. Immediate risks have already occurred, such as extreme changes in climate patterns leading to increased flooding, which disrupts operations and results in a decline in revenue or financial losses; and increased droughts causing supply chain disruptions, which are expected to become more extreme and frequent. The Company has a higher correlation with water and electricity resources in the raw material and manufacturing stages of its overall value chain. The Company mitigates risk by diversifying the locations of its operational sites and collaborating with multiple sub-contractors, which allows production to be transferred in case of a site disruption. Additionally, the Company has signed contracts with water suppliers to ensure water trucks are provided during water shortages to maintain production, while also increasing the proportion of renewable energy. In the event of power outages, backup electricity is supplied to the factory. Therefore, the estimated increase in costs under both scenarios is not significantly different.</p> | | | | | | | | | | | |
|---|--|--|--|--|------------|-------------------|---|--|--|------|------------|------------|
| <p>6. If there is a transformation plan to manage climate-related risks, describe the plan's content and the indicators and objectives used to identify and manage physical risks and transition risks.</p> | <p>In order to achieve net-zero emissions, the Company has developed a low-carbon transformation plan, which will address emissions reduction in three areas: Direct emissions from operational activities (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions generated across the value chain (Scope 3). Execution details include:</p> <ol style="list-style-type: none"> 1. Continuing proactive voluntary carbon reduction: Developing advanced technologies, improving energy productivity and efficiency, and producing low-carbon products to minimize carbon emissions during manufacturing and product usage stages. 2. Adopting renewable energy: Significantly increasing the proportion of renewable energy usage and extending it across the value chain to actively support the low-carbon energy transition. 3. Investing in net-zero technologies: Investing in net-zero emissions technologies to enhance the production and use of recycled aluminum, and participating in carbon offset projects to mitigate unavoidable emissions or those limited by current reduction technologies. <p>The Company uses 2022 as the baseline year for identifying greenhouse gas emission indicators and targets, as detailed in point 9. The indicators and targets used to identify and manage physical risks and transition risks are as follows:</p> <ol style="list-style-type: none"> 1. Transition Risk: Recycling of aluminum melting materials. The recycling rate of aluminum melting materials is 35.53% in 2024, with a target of $\geq 40\%$ in 2025 and $\geq 50\%$ in 2026. 2. Physical risks: The wastewater recycling rate at the second plant in 2025 was $\geq 30\%$; the average energy savings in 2024 was 2.06% lower than the baseline year, and the average energy savings target in 2025 was 1.5% lower than the baseline year. The proportion of renewable energy has reached 10% of the contracted capacity by 2025. | | | | | | | | | | | |
| <p>7. If using internal carbon pricing as a planning tool, describe the basis for price determination.</p> | <p>The Company has developed an internal carbon pricing mechanism, based on the Ministry of the Environment's approval of a discount of NT\$100 per ton of carbon. This will be implemented starting in 2026.</p> | | | | | | | | | | | |
| <p>8. If climate-related targets are set, provide information on covered activities, greenhouse gas emission scopes, planning timelines, annual progress toward targets, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, specify the source and quantity of carbon offsets or the number of RECs exchanged.</p> | <p>The Company has long been committed to environmental protection, aiming to create a harmonious win-win situation for both the economy and the environment with a green operations model that maximizes production efficiency while minimizing environmental impact. The Company has established the following indicators to enhance eco-efficiency in four key areas: energy conservation, water saving, waste reduction, and greenhouse gas emission reduction, thus contributing to a sustainable environment.</p> <p>At this stage, the Company does not use the purchase of renewable energy certificates as a carbon reduction measure. Currently, the focus is on prioritizing self-generated and self-consumed renewable energy. In 2024, the self-generated and self-consumed renewable energy amount is 1.8894 million kWh.</p> | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th data-bbox="723 1217 981 1273">Items</th> <th data-bbox="981 1217 1328 1273">2024</th> <th data-bbox="1328 1217 1675 1273">2025 Goals</th> <th data-bbox="1675 1217 2022 1273">2026 Goals</th> </tr> </thead> <tbody> <tr> <td data-bbox="723 1273 981 1374">Energy Management</td> <td data-bbox="981 1273 1328 1374">The average energy savings in 2024 was 2.06%.</td> <td data-bbox="1328 1273 1675 1374"> <ul style="list-style-type: none"> Reducing energy consumption by 1% annually. Achieving a renewable energy ratio of 10% of contracted capacity. </td> <td data-bbox="1675 1273 2022 1374"> <ul style="list-style-type: none"> Reducing energy consumption by 1% annually. Achieving a renewable energy ratio of 10% of contracted capacity. </td> </tr> </tbody> </table> | Items | 2024 | 2025 Goals | 2026 Goals | Energy Management | The average energy savings in 2024 was 2.06%. | <ul style="list-style-type: none"> Reducing energy consumption by 1% annually. Achieving a renewable energy ratio of 10% of contracted capacity. | <ul style="list-style-type: none"> Reducing energy consumption by 1% annually. Achieving a renewable energy ratio of 10% of contracted capacity. | 2024 | 2025 Goals | 2026 Goals |
| Items | 2024 | 2025 Goals | 2026 Goals | | | | | | | | | |
| Energy Management | The average energy savings in 2024 was 2.06%. | <ul style="list-style-type: none"> Reducing energy consumption by 1% annually. Achieving a renewable energy ratio of 10% of contracted capacity. | <ul style="list-style-type: none"> Reducing energy consumption by 1% annually. Achieving a renewable energy ratio of 10% of contracted capacity. | | | | | | | | | |
| | Energy Management | The average energy savings in 2024 was 2.06%. | <ul style="list-style-type: none"> Reducing energy consumption by 1% annually. Achieving a renewable energy ratio of 10% of contracted capacity. | <ul style="list-style-type: none"> Reducing energy consumption by 1% annually. Achieving a renewable energy ratio of 10% of contracted capacity. | | | | | | | | |

| | | | | |
|----|--|---|---|--|
| | GHG emissions | <ul style="list-style-type: none"> Scope 1 and Scope 2 carbon emissions reduced by 8.4% compared to the 2022 baseline year Verified through ISO 14067 | <ol style="list-style-type: none"> Verified through ISO 14064-2 for emission reduction plans. The voluntary carbon reduction plan has passed the carbon fee review. The greenhouse gas emission intensity of Scope 1 and Scope 2 has decreased by 2.3% compared to the 2022 baseline year. | The greenhouse gas emission intensity of Scope 1 and Scope 2 has decreased by 2.5% compared to the 2022 baseline year. |
| | Green Innovation Products | Recycled Aluminum Usage Rate $\geq 35.53\%$ | Recycled Aluminum Usage Rate $\geq 40\%$ | Recycled Aluminum Usage Rate $\geq 50\%$ |
| | Waste Management | Reduced organic solvent consumption per wheel: Yunlin plant decreased by 36.0%; Pingtung plant decreased by 41.1% | Reduction of organic solvent consumption per wheel by 30% | Reduction of organic solvent consumption per wheel by 30% |
| | Air Pollution Control | The emissions of air pollutants have decreased by 17.73% compared to the baseline year. | Reducing by 3% compared to the 2022 base year | Reducing by 3% compared to the 2022 base year |
| | Water Resource Management | Wastewater recycling rate of Factory 2: 21.84% | Wastewater recycling rate of Factory 2 $\geq 30\%$ | Wastewater recycling rate of Factory 2 $\geq 30\%$ |
| 9. | Provide an inventory of greenhouse gas emissions, certainty levels, reduction targets, strategies, and specific action plans (filled in sections 1-1 and 1-2). Please refer to the following explanation. | | | |

1-1 Greenhouse gas inventory and assurance for the past two fiscal years

1-1-1 Information on Greenhouse Gas Inventory

Please state the greenhouse gas emissions (in tCO₂e), intensity (in tCO₂e/NT\$ thousand), and the coverage of the data for the most recent two years.

The data coverage that must be disclosed according to the regulations of the Sustainable Development Roadmap for TWSE/TPEX Listed Companies includes at least the following:

- The parent company should begin the inventory process starting from 2025. However, the Company has proactively started the inventory process in 2022.
- Subsidiaries included in consolidated financial reports are to commence inventory from 2026.

The Company has established a greenhouse gas inventory mechanism based on the ISO 14064-1: 2018 standard, the Greenhouse Gas Emission Registration Guidelines from the Environmental Protection Administration, the Greenhouse Gas Emission Inventory Registration and Management Regulations, and the Greenhouse Gas Verification Guidelines. Starting from 2023, the Company has conducted an annual inventory of its greenhouse gas

emissions to fully understand the usage and emissions of greenhouse gases, and to verify the effectiveness of reduction actions. In addition, the greenhouse gas inventory data for the most recent two years is summarized based on the operational control method, detailing the Company's greenhouse gas emissions as follows:

| Items | 2023 | 2024 | 2025 |
|--|-------------|-------------|-------------|
| Scope 1 Greenhouse Gas Emissions | 22,597.5517 | 21,299.9178 | 21,000.8784 |
| Scope 2 Greenhouse Gas Emissions | 60,647.9001 | 53,781.5701 | 50,743.8103 |
| Scope 1 + Scope 2 | 83,245.4518 | 75,081.4879 | 71,744.6887 |
| Operating Revenue (NT\$ Thousands) | 7,779,316 | 7,473,579 | 6,977,352 |
| Greenhouse Gas Emission Intensity (tCO ₂ e/NT\$ thousand) | 0.0107 | 0.0100 | 0.0103 |

Note: Unit: tCO₂e

1. The emission factor for Scope 1 is referenced from the latest greenhouse gas emission factor management table announced by the Ministry of Environment.
2. The above data has been verified by third-party certification in accordance with ISO 14064-1:2018 greenhouse gas inventory standards. For Scope 2, the electricity emission factor is calculated using the latest coefficient—2024 electricity factor of 0.474 tCO₂ per 1,000 kWh.

1-1-2 Information on Greenhouse Gas Assurance

Explain the scope that must be executed for assurance according to the Sustainable Development Roadmap for TWSE/TPEX Listed Companies

1. The parent company should begin executing assurance starting from 2027. However, the Company has proactively commissioned TÜV NORD Taiwan Co., Ltd. to conduct verification starting from 2023.
2. Subsidiaries included in consolidated financial statements are to commence assurance from 2028.

| Items | 2024 | 2025 |
|---|--|---|
| Scope 1 Greenhouse Gas Emissions | 21,299.9178 | 21,180.8729 |
| Scope 2 Greenhouse Gas Emissions | 53,781.5701 | 50,743.8103 |
| Scope 1 + Scope 2 | 75,081.4879 | 71,924.6831 |
| The percentage of the disclosed inventory data mentioned in section 1-1-1 above | 100% | 100% |
| Assurance Institution | TÜV NORD Taiwan Co., Ltd. | TÜV NORD Taiwan Co., Ltd. |
| Assurance Statement | Verification Standards: ISO 14064-1: 2018, IPCC AR6 Assessment Report GWP values. Assurance level: Reasonable assurance. | Verification Standards: ISO 14064-1: 2018, IPCC 2021 AR6 Assessment Report GWP values. Assurance level: Reasonable assurance. |
| Assurance opinion/Conclusion | Unqualified opinion | Unqualified opinion |

Note: Unit: tCO₂e

1-2 Greenhouse Gas Reduction Strategies and Specific Action Plans

Describe in details the baseline year and data for greenhouse gas reduction, the reduction targets, strategies and specific action plans, as well as the achievement status of the reduction targets.

Greenhouse Gas Reduction Baseline Year and Reduction Targets

For the planning of greenhouse gas reduction strategies, the Company completed the inventory in 2023 based on the 2022 Parent Company Only Financial Statement as the boundary. Therefore, the baseline year is 2022, with Scope 1 and Scope 2 emissions of 21,756.7065 tCO₂e and 60,185.5175 tCO₂e, respectively. The reduction strategies over these two years have shown some effectiveness, with results indicating an 8% reduction in 2024 compared to the baseline year, and a 12% reduction in 2025 compared to the baseline year. The Company aims to further implement carbon reduction through the following specific actions, setting a short-term target of a 4% reduction by 2026 compared to the baseline year, a medium term target of a 30% reduction by 2030 compared to the baseline year, and ultimately achieving the long term goal of net-zero carbon emissions by 2050.

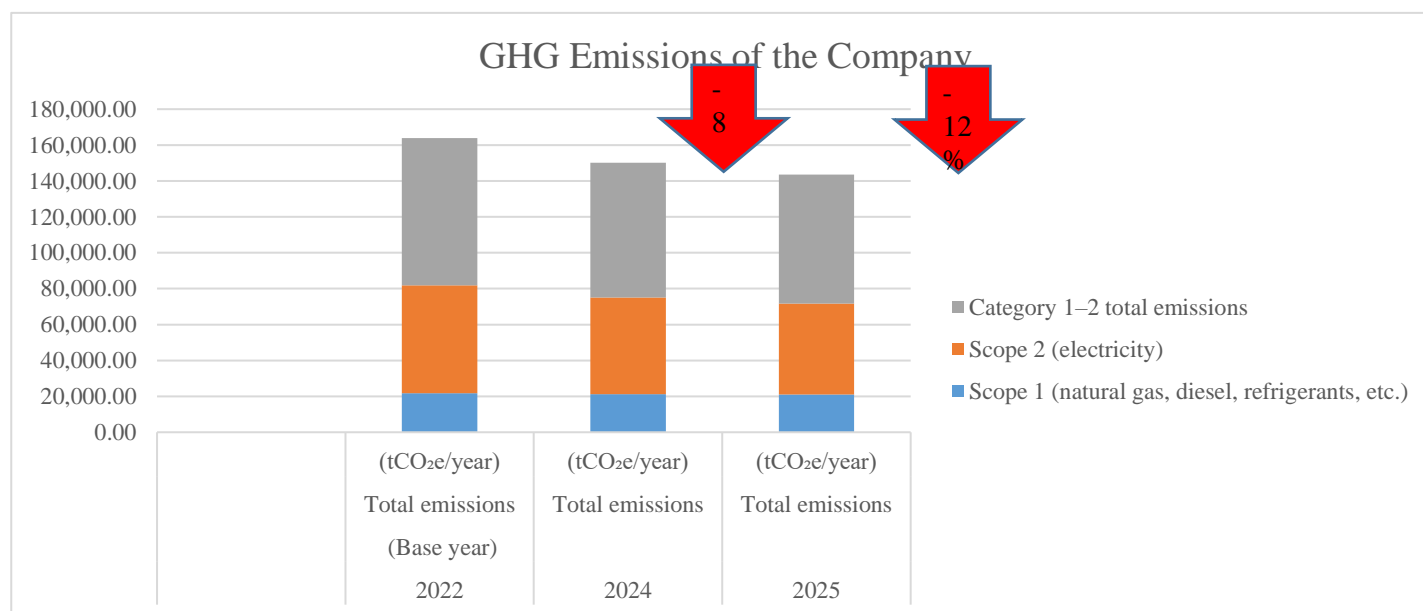
Greenhouse Gas Reduction Strategies and Specific Action Plans

The Company integrates carbon management into our operational strategy. In response to international carbon pricing trends, we take into account the prices in international carbon markets and the carbon prices stipulated in greenhouse gas-related regulations, using them as references for carbon reduction management and planning. Through the operation of the carbon pricing mechanism, the Company proactively responds to the carbon fees to be levied under Taiwan's Climate Change Response Act, the regulatory mechanisms on carbon emissions implemented globally, and the requirements under the Renewable Energy Development Act to increase the proportion of green electricity usage. This mechanism also enables the Company to assess opportunities arising from the low-carbon transition, make rolling adjustments to relevant policies and programs, and develop forward-looking carbon reduction technologies or low-carbon investments such as process improvements and carbon capture and storage. In addition, through the

carbon management platform, the Company systematically integrates the emission information of the entire group to obtain real-time carbon management data. This enables comprehensive supervision of multiple greenhouse gas reduction programs, including improving energy efficiency, purchasing energy-saving equipment, installing solar power generation systems, and reducing greenhouse gas emissions at the source of raw materials. Current ongoing project: 1. Introduce high-efficiency energy-saving furnaces, optimize furnace insulation, and reduce heat loss. 2. Gradually phase out old air compressors, pumps, motors, etc., and introduce Grade 1 energy-efficient or variable-frequency equipment to reduce energy loss. 3. Optimize the operational efficiency of central air-conditioning chiller systems and implement heat recovery. Additionally, the Company evaluates measures such as adopting low-carbon fuels/energy and developing negative-carbon technologies to ensure that reductions align with the planned trajectory. With a proactive attitude, we seek to mitigate the impact of carbon emissions while enhancing operational competitiveness.

Achievement Status of Reduction Targets

As of now, the annual emission data and achievement status are as follows:



(VI) Integrity Management and Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, along with Reasons

| Evaluation Item | Operational Status (Note) | | | Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons |
|--|---------------------------|----|--|---|
| | Yes | No | Description | |
| I. Formulation of integrity management policies and programs (I) Has the Company established an integrity management policy approved by the Board of Directors, and explicitly stated its integrity management policies and practices in its regulations and external documents, as well as the Board's and senior management's commitment to actively implementing such policies? | ✓ | | <ol style="list-style-type: none"> SAI, in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and relevant laws and regulations of our operational locations, has established procedures and guidelines including the "Code of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," "Ethical Corporate Management Procedures and Guidelines," and "Sustainable Development Best Practice Principles." These documents were discussed and approved by the Board of Directors, and they encompass regulations on anti-corruption, insider trading, intellectual property rights, and proper information preservation and disclosure, specifically outlining the necessary precautions to uphold the Company's ethical standards and appropriate behavior. We require all employees to fully understand and adhere to these ethical guidelines, respect and strictly abide by confidentiality agreements with customers, and refrain from accepting any bribes or improper benefits. Additionally, we aim to invite customers, suppliers, business partners, and other associated entities to jointly understand and support SAI's core values of integrity. In 2025, 100% of directors and senior executives signed the integrity and integrity commitments. | No material difference |
| (II) Has the Company established a risk assessment mechanism for dishonest conduct, regularly analyzed and evaluated business activities within its scope that are subject to higher risks of dishonest conduct, and accordingly formulated prevention measures against such conduct, which at a minimum cover the preventive measures set forth in each subparagraph of Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies? | ✓ | | <ol style="list-style-type: none"> The Company has established the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Corporate Management Operations, and the Guidelines for Ethical Conduct, which set forth the following preventive measures against dishonest conduct: <ol style="list-style-type: none"> Prohibition of bribery or acceptance of bribes, and offering or receiving improper benefits Prohibition of providing illegal political donations Prohibition of improper charitable donations or sponsorships Prohibition of unreasonable gifts, hospitality, or other improper benefits Prohibition of infringement of intellectual property rights The Company has established effective accounting and internal control systems for business activities with higher risks of dishonest conduct, maintains no off-the-books accounts or secret accounts, and conducts ongoing reviews to ensure the continued effectiveness of the design and implementation of such systems. | No material difference |
| (III) Has the Company established, within its anti-unethical conduct program, operating procedures, codes of conduct, disciplinary measures for violations, and a grievance system, and duly implemented them, and regularly reviewed and amended the said program? | ✓ | | <ol style="list-style-type: none"> The Company has explicitly set forth provisions and guidelines regarding conflicts of interest, confidentiality of customer information, business gifts, fair dealing, and competition in its Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct, and provides employee grievance channels to address concerns regarding perceived unfair or unreasonable treatment. In 2025, SAI received 0 complaints. | No material difference |

| | | | | |
|--|---|--|---|------------------------|
| <p>II. Implementation of Integrity in Business Operations</p> <p>(I) Does the Company assess the integrity records of its counterparties and include integrity clauses in contracts signed with its business counterparties?</p> | ✓ | | <p>In accordance with the Ethical Corporate Management Best Practice Principles, the Company considers the legality of suppliers, customers, and other business counterparties, as well as any records of dishonest conduct, prior to engaging in business dealings, and avoids transactions with parties that have a history of dishonest conduct. A qualified supplier list has been established to avoid engaging in transactions with parties that have records of dishonest conduct, and integrity clauses are explicitly included in the contracts signed.</p> | No material difference |
| <p>(II) Has the company established a dedicated unit under the Board of Directors to promote corporate integrity management, and does it regularly (at least once a year) report to the Board on its integrity management policies, anti-corruption prevention measures, and the status of supervision and implementation?</p> | ✓ | | <p>The Company designates the Office of the President as the dedicated unit under the Board of Directors. It is responsible for revising, implementing, and interpreting this operating procedure and code of conduct, providing consultation services, and recording and filing reported matters, as well as supervising execution. It reports to the Board of Directors on an ad hoc basis.</p> | No material difference |
| <p>(III) Has the Company established a policy to prevent conflicts of interest, provided appropriate reporting channels, and ensured its implementation?</p> | ✓ | | <p>To prevent conflicts of interest, the Company has established the Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, and a whistleblowing system, in addition to having a whistleblowing section on its official website, which is handled by the Internal Audit Office.</p> | No material difference |
| <p>(IV) Has the Company, in order to implement integrity management, established an effective accounting system and internal control system, and does the internal audit unit, based on the assessment results of the risk of dishonest conduct, formulate relevant audit plans and conduct audits on compliance with anti-dishonesty measures, or commission accountants to perform audits?</p> | ✓ | | <p>The Company has established accounting and internal control systems to ensure the effectiveness of financial reporting processes and internal controls. The internal audit unit regularly assesses risks and formulates audit plans, conducts audits in accordance with these plans, and performs special audits as needed. It also regularly reports audit results to the Audit Committee and the Board of Directors, enabling management to understand the Company's internal control implementation status and achieve management objectives.</p> <p>The Company conducted a risk identification in August 2025, identifying corruption risk factors across eight areas, and all were assessed as low risk.</p> | No material difference |
| <p>(V) Does the Company regularly conduct internal and external education and training on integrity management?</p> | ✓ | | <p>The Company promotes integrity management-related topics through its internal network, email, and monthly mobilization meetings, and provides integrity training courses for new employees upon onboarding.</p> <p>1465 employees have received anti-corruption education training, achieving a completion rate of 100%.</p> | No material difference |
| <p>III. Operation of The Company's Whistleblowing System</p> <p>(I) Has the Company established specific whistleblowing and reward mechanisms, set up convenient reporting channels, and assigned appropriate designated personnel to handle reported cases?</p> | ✓ | | <p>1. The Company has established procedures for handling its whistleblowing system. If any relevant personnel, in the course of performing their duties, discover facts involving violations of integrity or ethical conduct, they may file a report through the following channels:</p> <p>(1) Internal: A dedicated whistleblowing hotline and an employee grievance handling system have been established.</p> <p>(2) External: A reporting hotline and email (https://www.superalloy.tw/governance/ and sharon.tu@superalloy.tw) for unethical conduct have been established on the Company's website, and are handled by the Audit Office.</p> | No material difference |
| <p>(II) Has the Company established standard operating procedures for handling whistleblowing investigations, follow-up measures after investigations are</p> | ✓ | | <p>(3) After a report is filed, an investigation procedure will be initiated. Designated personnel, including legal representatives, workers'</p> | No material difference |

| | | | | |
|--|----------|--|---|-------------------------------|
| <p>completed, and related confidentiality mechanisms?</p> | | | <p>representatives, the Occupational Safety Center, and the Human Resources unit, will form a committee to conduct the investigation.</p> <p>2. Through the “Incident Reporting, Handling, and Investigation Management Procedure,” the Company has established complaint procedures, designated responsible units for case acceptance, and defined event handling processes. It also complies with personal data protection requirements and strictly prohibits any retaliatory actions against employees.</p> <p>3. In 2025, 1 whistleblowing case was received.</p> | |
| <p>(III) Has the Company adopted measures to protect whistleblowers from improper treatment as a result of reporting?</p> | <p>✓</p> | | <p>1. Through the “Incident Reporting, Handling, and Investigation Management Procedure” and the employee grievance handling system, the Company has established complaint procedures, designated responsible units for case acceptance, and defined event handling processes. It also provides protections for complainants, complies with personal data confidentiality requirements, and strictly prohibits any retaliatory actions against employees.</p> <p>2. In 2025, the Company received a total of 1 whistleblowing case.</p> | <p>No material difference</p> |
| <p>IV. Strengthen Information Disclosure Does the Company disclose the content of its Ethical Corporate Management Best Practice Principles and its implementation results on its website and the Market Observation Post System?</p> | <p>✓</p> | | <p>1. The Company has disclosed the content of its Ethical Corporate Management Best Practice Principles on its website and has established the Code of Ethical Conduct, the purpose of which is to enhance the conduct, professional ethics, and professional competence of the Company and all employees. As an organization committed to integrity management, the Company believes that the conduct of each employee will affect the entire organization they serve and its reputation. Every employee has the obligation, within the bounds of the law, to maximize the Company’s interests, and also the responsibility to prevent any loss or erosion of the Company’s interests.</p> <p>2. The Company conducted a risk identification in August 2025, identifying corruption risk factors across eight areas, and all were assessed as low risk. The results have been disclosed on the Company’s website.</p> | <p>No material difference</p> |
| <p>V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any differences between its operations and the prescribed principles: The Company has established the Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, and Procedures for Ethical Management and Guidelines for Conduct, and complies with relevant laws and regulations governing matters that personnel should observe in the performance of their duties. There are no material differences between the Company’s operational practices and its established Ethical Corporate Management Best Practice Principles.</p> | | | | |
| <p>VI. Other important information that would aid the understanding of the Company’s integrity management operations: None.</p> <ol style="list-style-type: none"> 1. The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, regulations governing public companies, and other laws and regulations related to commercial conduct as the foundation for implementing integrity management. 2. The Company’s Rules and Procedures of Board of Director Meetings include a conflict of interest recusal system for directors. For any agenda item submitted to the Board in which a director, or the legal entity they represent, has an interest that may be detrimental to the Company’s interests, the director may state opinions and respond to inquiries but shall not participate in discussions or voting. The director must recuse themselves during deliberation and voting and may not exercise voting rights on behalf of other directors. 3. The Company has established the Procedures of Handling Material Inside Information and Prevention of Insider Trading, which clearly stipulate that directors, managerial officers, and employees shall not disclose any material non-public information they become aware of to others. They shall not inquire of or collect undisclosed internal material information unrelated to their job duties from those who have knowledge of such information, and shall not disclose any undisclosed internal material information of the Company obtained other than in the course of performing their duties to any other person. 4. The Company has consistently adhered to the principle of integrity in its operations, complying with relevant laws and regulations and maintaining sound internal control systems. It strictly prohibits any dishonest or unlawful conduct and has established a neutral unit to serve as a basis for necessary consultation and review. 5. The Company has obtained Directors and Officers liability insurance for its directors, managerial officers, and key employees, which helps reduce the risks arising from the performance of their duties and safeguards the interests of investors. | | | | |

(VII) Disclosure of other important information that may further enhance understanding of the Company's corporate governance practices:

The Company has published corporate governance-related information on its website (<http://www.superalloy.tw>) for reference and inquiry.

(VIII) The following items shall be disclosed regarding the implementation status of the internal control system:

1. Internal Control System Statement (see page 47 for details).
2. If the internal control system is subject to a special review by a certified public accountant, the CPA's review report shall be disclosed: None.

SUPERALLOY INDUSTRIAL CO., LTD.
Internal Control System Statement

Date: March 2, 2026

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

- I. The Company acknowledges that establishing, implementing, and maintaining the internal control system is the responsibility of the Board of Directors and management, and the Company has established such a system. Its purpose is to provide reasonable assurance regarding the achievement of objectives related to operational effectiveness and efficiency (including profitability, performance, and safeguarding of assets), reliability, timeliness, and transparency of reporting, as well as compliance with applicable laws, regulations, and relevant rules.
- II. An internal control system has its inherent limitations. No matter how well it is designed, an effective internal control system can only provide reasonable assurance regarding the achievement of the above three targets. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system includes a self-monitoring mechanism, and once deficiencies are identified, corrective actions will be promptly taken.
- III. The Company assesses whether the design and implementation of its internal control system are effective based on the evaluation criteria for internal control effectiveness set forth in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The evaluation criteria for internal control systems adopted in the Regulations are based on the management control process, which divides the internal control system into five components: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, and 5. Monitoring activities. Each of these components further includes several elements. The aforementioned items are set forth in the provisions of the Regulations.
- IV. The Company has adopted the above internal control system evaluation criteria to assess the effectiveness of the design and implementation of its internal control system.
- V. Based on the above assessment results, the Company concludes that as of December 31, 2025, its internal control system (including supervision and management of subsidiaries), covering the achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, and transparency of reporting, and compliance with relevant laws and regulations, was effectively designed and implemented, and can reasonably ensure the achievement of the aforementioned objectives.
- VI. This statement will be included as a primary part of the Company's annual report and will be disclosed to the public. If the above disclosure contains any falsehoods, concealment, or other unlawful conduct, it may incur legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Company's Board of Directors on March 2, 2026. Of the 10 directors present, none expressed dissenting opinions, and all others agreed to the contents of this statement.

SUPERALLOY INDUSTRIAL CO., LTD.

Chairman: Tsung-Jung Huang

President: Tsung-Jung Huang

(IX) Major resolutions of the shareholders' meeting and the Board of Directors for the most recent year and up to the date of printing of the annual report:

1. Important Resolutions of the Board:

| Meeting Date | Session Number | Important Resolutions |
|--------------|-------------------------------|---|
| 2025.03.03 | 9th meeting of the 15th term | <ol style="list-style-type: none"> 1. Important financial and business report. 2. Reported on internal audit implementation. 3. Reported on the evaluation of derivative products and the implementation of investments in negotiable securities. 4. Report on the implementation schedule for the IFRS Sustainability Disclosure Standards adoption plan. 5. Approved the Company's 2024 Business Report, Parent Company Only Financial Statement, and Consolidated Financial Statements. 6. Approved the Company's 2024 earnings distribution. 7. Approved the Company's 2024 Internal Control System Statement. 8. Approved the independence assessment of attesting CPA for 2025 and the competency assessment of the CPA for 2024. 9. Approved the appointment and remuneration of the Company's CPAs for 2025. 10. Approved amendments to the credit management regulations. 11. Approval of the distribution of employee compensation and director remuneration for 2024, as well as the allocation proposed by management. 12. Approved amendments to the Company's Articles of Incorporation. 13. Approved the schedule and agenda for the 2025 Annual Shareholders' Meeting, as well as the acceptance period for shareholder proposals. 14. Approved the Company's second treasury share repurchase. |
| 2025.05.08 | 10th meeting of the 15th term | <ol style="list-style-type: none"> 1. Important financial and business report. 2. Reported on internal audit implementation. 3. Reported on the evaluation of derivative products and the implementation of investments in negotiable securities. 4. Report on the implementation schedule for the IFRS Sustainability Disclosure Standards adoption plan. 5. Approved the Company's 2025Q1 consolidated financial statements. 6. Approved amendments to the shareholding ratio in the subsidiary, Jia Yi Co., Ltd. 7. Approved the acquisition of right-of-use assets. 8. Approved the establishment of the record date for the cancellation and capital reduction of repurchased treasury shares. |
| 2025.08.05 | 11th meeting of the 15th term | <ol style="list-style-type: none"> 1. Important financial and business report. 2. Reported on internal audit implementation. 3. Reported on the evaluation of derivative products and the implementation of investments in negotiable securities. 4. Report on the implementation schedule for the IFRS Sustainability Disclosure Standards adoption plan. 5. Approved the Company's 2025H1 consolidated financial statements. 6. Approved amendments to the Company's sustainability information management procedures. 7. Approved the implementation status of the Company's 2024 ESG Report. 8. Approved the definition of entry-level employees for the Company. 9. Ratified the appointment of directors and nomination of supervisors for the Company's invested subsidiary, Jia Yi Co., Ltd. |
| 2025.11.06 | 12th meeting of the 15th term | <ol style="list-style-type: none"> 1. Important financial and business report. 2. Reported on internal audit implementation. 3. Reported on the evaluation of derivative products and the implementation of investments in negotiable securities. 4. Report on the implementation schedule for the IFRS Sustainability Disclosure Standards adoption plan. 5. Approved the Company's 2025Q3 consolidated financial statements. 6. Approved amendments to the Company's payroll and personnel authorization matrix. |

| Meeting Date | Session Number | Important Resolutions |
|--------------|-------------------------------|--|
| | | 7. Approved the providing of endorsement and guarantee for loans to the Company's subsidiary SAMF. |
| 2025.12.24 | 13th meeting of the 15th term | <ol style="list-style-type: none"> 1. Reported on major financial and business matters and the 2026 operational strategy. 2. Reported on internal audit implementation. 3. Reported on the evaluation of derivative products and the implementation of investments in negotiable securities. 4. Reported on the renewal of Directors' and Officers' liability insurance. 5. Reported on compliance status. 6. Reported on information security status. 7. Approved the Company's 2026 budget for the implementation of its business plan. 8. Approved capital expenditures for 2026 under the Company's Operational Plan. 9. Approved the 2026 audit plan. 10. Approved amendments to the payroll cycle provisions. 11. Approved the performance evaluation criteria for directors and independent directors for 2026. 12. Approved the performance evaluation criteria for managerial officers for 2026. 13. Approved the 2025 year-end bonuses for executive directors and managerial officers. 14. Approved the Company's repurchase of its own shares to maintain corporate credit and protect shareholders' interests. |
| 2026.03.02 | 14th meeting of the 15th term | <ol style="list-style-type: none"> 1. Important financial and business report. 2. Reported on internal audit implementation. 3. Reported on the evaluation of derivative products and the implementation of investments in negotiable securities. 4. Reported on the status of the treasury share repurchase. 5. Reported on supplementary explanations regarding the business plan for acquisition of land and factory premises in the Dapumei area of Dalin Township, Chiayi County. 6. Approved the distribution of employee compensation and director remuneration for 2025, as well as allocations for management and entry-level employees. 7. Approved the Company's 2025 Business Report, Parent Company Only Financial Statement, and Consolidated Financial Statements. 8. Approved the Company's 2025 earnings distribution. 9. Approved the Company's 2025 capital surplus dividend distribution. 10. Approved the Company's 2025 Internal Control System Statement. 11. Passed the independence assessment of attesting CPA for 2026 and the competency assessment of the CPA for 2025. 12. Approved the appointment and remuneration of the Company's CPAs for 2026. 13. Approved amendments to the provisions on sales and collection cycled. 14. Approved the cancellation of the Company's repurchased treasury shares and the establishment of the capital reduction reference date. 15. Approved the implementation of cash capital reduction. 16. Approved the early re-election of directors. 17. Approved the schedule and agenda for the 2026 Annual Shareholders' Meeting, acceptance period for shareholder proposals, and nomination of director candidates. 18. Approved the appointment of the Company's spokesperson. |

2. Review of the implementation status of the resolutions of the 2025 Annual Shareholders' Meeting:

| Resolutions | Review of Implementation Status |
|--|---|
| Acknowledgment of the Company's 2024 Business Report and Financial Statements. | The voting result showed that the number of affirmative votes complied with statutory requirements, and the proposal was approved as presented. |
| Acknowledgment of the Company's 2024 earnings distribution proposal. | The voting result showed that the number of affirmative votes complied with statutory requirements, and the proposal was approved as presented. |

| Resolutions | Review of Implementation Status |
|-------------|--|
| | <p>In accordance with the relevant article of the Company's Articles of Incorporation regarding dividend distribution, dividends may be distributed in cash or stock, with the amount proposed by the Board of Directors and submitted to the shareholders' meeting for resolution. For fiscal year 2024, the Company proposes a cash dividend of NT\$2.20 per share. Upon approval by the shareholders' meeting and regulatory authorities, the Board of Directors will separately determine the record date for stock issuance, payment date, and other related matters. If subsequent changes in laws and regulations, adjustments by competent authorities, or changes in the Company's share capital result in a change in the number of outstanding shares and therefore affect the dividend distribution ratio, the Chairman is authorized to handle and adjust the matter accordingly.</p> |

(X) For the most recent fiscal year and up to the date of printing of the annual report, there were no instances where directors or supervisors expressed dissenting opinions or provided written statements regarding important resolutions passed by the Board of Directors.

IV Certified Public Accountant's (CPA) public fee information:

Unit: NT\$ Thousands

| Name of CPA Firm | Name of CPA | CPA Audit Period | Audit fees | Non-audit fees | Total | Note |
|------------------|--------------|-----------------------|------------|----------------|-------|--|
| PwC Taiwan | Mei-Lan Liu | 2025.01.01~2025.12.31 | 2,860 | 400 | 3,260 | Non-audit fees primarily include tax certification, document copying, domestic and international travel expenses, and inventory counting fees. |
| | Chih-Wei Lai | | | | | |

(I) If there is a reduction in audit fees for the year following the change of accounting firms compared to the previous year, the amount of audit fees before and after the change, as well as the reasons for the reduction, should be disclosed: Not applicable.

(II) If audit fees have decreased by more than 10% compared to the previous year, the amount, percentage of reduction, and reasons for the decrease should be disclosed: Not applicable.

V If there has been a change of auditor in the most recent two fiscal years and the subsequent period, the following matters should be disclosed: Not applicable.

(I) Regarding the previous CPAs:

| | | | |
|---|--|-----|------------------------------------|
| Date of Change | Approved by the Board of Directors on April 18, 2022. | | |
| Reason and explanation for change | The Company's original auditors were CPAs Yu-Chuan Wang and Shu-Hua Hung, appointed from PwC Taiwan. Due to PwC Taiwan's internal rotation policy, starting from 2022, the Company's appointed accountants were changed from Yu-Chuan Wang and Shu-Hua Hung to Shu-Hua Hung and Mei-Lan Liu. | | |
| Explanation of the termination or non-acceptance of the appointment by the appointing party or the CPA: | Party Concerned | CPA | Appointing Party |
| | Termination of Appointment | N/A | N/A |
| | Non-acceptance (or Discontinuation) of Appointment | N/A | N/A |
| Audit opinion other than an unqualified opinion issued within the most recent two years, along with the reasons | None | | |
| Whether there were any disagreements with the issuer | Yes | | Accounting principles or practices |
| | | | Disclosure of financial reporting |
| | | | Audit scope or procedures |
| | | | Others |
| | None | | |
| | Explanation | N/A | |
| Other disclosure items (as specified in Article 10, Paragraph 6, Items 1-4 to 1-7 of this standard, which should be disclosed): | None | | |

(II) Regarding the successor CPAs:

| | |
|---------------------|--------------------------------------|
| Name of Firm | PwC Taiwan |
| Name of CPA | CPA Mei-Lan Liu and CPA Chih-Wei Lai |
| Date of Appointment | March 3, 2025 |

| | |
|--|-----|
| The accounting treatment methods or accounting principles for specific transactions before the appointment, as well as consultation matters and results regarding the audit opinion that may be issued on the financial statements | N/A |
| The written opinion of the successor CPAs on matters of disagreement with the previous auditors: | N/A |

(III) Response letter from the previous CPAs: Not applicable.

VI Chairman, President, and managers responsible for finance or accounting affairs of the Company who, within the most recent year, have previously been employed by the attesting CPA's firm or its affiliated enterprises shall disclose their names, positions, and the period of employment at the attesting CPA's firm or its affiliated enterprises: None.

VII Transfer and pledge of shareholdings by directors, supervisors, managers, and shareholders holding more than 10% in the most recent year and up to the date of publication of the annual report: None.

(D) Changes in shareholdings of Directors, Supervisors, Managerial Officers, and Major Shareholders:

| Position | Name | 2024 | | 2025 | | As of March 22, 2026 | |
|----------------------------|--|--|---|--|---|--|---|
| | | Increase (Decrease) in Number of Shares Held | Increase (Decrease) in Number of Pledged Shares | Increase (Decrease) in Number of Shares Held | Increase (Decrease) in Number of Pledged Shares | Increase (Decrease) in Number of Shares Held | Increase (Decrease) in Number of Pledged Shares |
| Chairman and President | Tsung-Jung Huang | (20,000) | — | 300,000 | — | 200,000 | — |
| Director | Yong Ming Investment Co., Ltd. | — | — | — | — | — | — |
| | Representative: Chiu-Yueh Chang | — | — | — | — | — | — |
| Director | Cheng Yi Management Consulting Co., Ltd. | — | 200,000 | — | 800,000 | — | — |
| | Representative: Shun-Chung Wang | — | — | — | — | — | — |
| Director | Mao-Lin Shih | — | — | — | — | — | — |
| Director | Ke-Chang Liu | — | — | — | — | — | — |
| Director | Lung-Cheng Wei | - | - | - | 700,000 | — | — |
| Independent Director | Ding-Wang Cheng | — | — | — | — | — | — |
| Independent Director | Wan-Yu Liu | — | — | — | — | — | — |
| Independent Director | Ming-Shiou Cherng | — | — | — | — | — | — |
| Independent Director | Wen-Tsung Chen | — | — | — | — | — | — |
| Vice President | Kuan-Pin Huang | 62,000 | — | — | 500,000 | — | — |
| Assistant Vice President | Yu-Chih Kao | 22,000 | — | — | — | — | — |
| Assistant Vice President | Shih-Heng Kuo | 22,000 | — | — | — | — | — |
| Assistant Vice President | Hsin-Hao Tseng | — | — | — | — | — | — |
| Head of Finance Department | Hui-Fei Wang | 22,000 | — | — | — | — | — |

| Position | Name | 2024 | | 2025 | | As of March 22, 2026 | |
|-------------------------------|-------------|--|---|--|---|--|---|
| | | Increase (Decrease) in Number of Shares Held | Increase (Decrease) in Number of Pledged Shares | Increase (Decrease) in Number of Shares Held | Increase (Decrease) in Number of Pledged Shares | Increase (Decrease) in Number of Shares Held | Increase (Decrease) in Number of Pledged Shares |
| Head of Accounting Department | Yu-Ping Lin | 32,000 | — | | — | — | — |

(II) Whether the counterparty to the transfer of shareholdings is a related party: None.

(III) Whether the counterparty to the pledge of shareholdings is a related party: None.

VIII Information on whether the top ten shareholders by shareholding percentage are related parties, spouses or relatives within the second degree of kinship: None.

March 22, 2026

| Name | Shareholding | | Shareholding by Spouse and Minor Children | | Total Shareholding under Another Person's Name | | Names and relationships of the top ten shareholders who are related parties, spouses or relatives within the second degree of kinship | | Note |
|---|------------------|-------------------------|---|-------------------------|--|-------------------------|---|------------------------------------|-------------------------|
| | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion | Name (or name) | Relationship | |
| SUPERAL-LOY INDUSTRIAL CO., LTD. Treasury Share Account | 13,694,000 | 5.93 | - | - | - | - | - | - | - |
| Cheng Yi Management Consulting Co., Ltd. | 5,684,800 | 2.46 | - | - | - | - | Tsung-Jung Huang | Responsible Persons of | Director of the Company |
| Representative: Shun-Chung Wang | 0 | 0 | | | | | | the company | |
| Jih-Hsin Hsu | 4,686,100 | 2.03 | - | - | - | - | - | - | - |
| Guang Li Car Co., Ltd. | 4,590,300 | 1.99 | - | - | - | - | - | - | - |
| Yung-Cheng Hsu | 3,973,992 | 1.72 | - | - | - | - | Yung-Chi Hsu | Brothers | - |
| Tsung-Jung Huang | 3,888,800 | 1.69 | 268,000 | 0.12 | - | - | Cheng Yi Management Consulting Co., Ltd. | Responsible Persons of the company | Chairman of the company |
| | | | | | | | Kuan-Chang Huang | Father-Son | |
| Xing Da International Asset Management Consulting Co., Ltd. | 3,765,300 | 1.63 | - | - | - | - | - | - | - |
| Hui-Ling Li | 3,136,773 | 1.36 | 2,971,154 | 1.29 | - | - | Yung-Chi Hsu | Spouse | - |
| Yung-Chi Hsu | 2,971,154 | 1.29 | 3,136,773 | 1.36 | - | - | Hui-Ling Li | Spouse | - |
| | | | | | | | Yung-Cheng Hsu | Brothers | |
| Kuan-Chang Huang | 2,811,700 | 1.22 | 1,462,000 | 0.63 | - | - | Tsung-Jung Huang | Father-Son | - |

IX Number of shares held in the same investee company by the Company, its directors, supervisors, managerial officers, and enterprises directly or indirectly controlled by the Company, calculated on a consolidated basis as the combined shareholding ratio

Aggregate Shareholding Proportion

Unit: Shares; %

| Investee companies (Note) | Investments of the Company | | Investments by directors, supervisors, managerial officers, and companies directly or indirectly controlled | | Total Investment | |
|------------------------------|----------------------------|-------------------------|---|-------------------------|------------------|-------------------------|
| | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion | Number of Shares | Shareholding Proportion |
| SuperAlloy Manufaktur GmbH | - | 100% | - | - | - | 100% |
| Jia Yi Co., Ltd. | 255,000 | 85% | - | - | 255,000 | 85% |

C. Fundraising Situation

I Capital and Shares:

(I) Source of share capital

1. Formation process of share capital

February 28, 2026; Unit: NT\$

| Month | Issue Price | Approved Share Capital | | Paid-in Capital | | Note | | |
|---------|-------------|------------------------------|-------------------------|------------------------------|-------------------------|--|--|--|
| | | Number of Shares (Thousands) | Amount (NT\$ Thousands) | Number of Shares (Thousands) | Amount (NT\$ Thousands) | Source of share capital | Payment for shares with properties other than cash | Others |
| 1994.06 | 1,000 | 28 | 28,000 | 28 | 28,000 | Cash incorporation | - | - |
| 1998.07 | 10 | 30,000 | 300,000 | 16,000 | 160,000 | Cash capital increase NT\$132,000 thousand (Note 1) | - | Registration (087) No. 087120916 by the Department of Commerce, MOEA |
| 1999.05 | 12 | 30,000 | 300,000 | 19,800 | 198,000 | 1. Cash capital increase NT\$30,000 thousand (Note 1) 2. Capitalization of earnings NT\$8,000 thousand (Note 1) | - | - |
| 2000.08 | 12 | 90,000 | 900,000 | 52,770 | 527,700 | 1. Cash capital increase NT\$300,000 thousand (Note 2) 2. Capitalization of earnings NT\$29,700 thousand (Note 2) | - | - |
| 2001.08 | 10 | 90,000 | 900,000 | 62,770 | 627,700 | Cash capital increase NT\$100,000 thousand (Note 3) | - | - |
| 2002.07 | 10 | 90,000 | 900,000 | 80,000 | 800,000 | Cash capital increase NT\$172,300 thousand (Note 4) | - | - |
| 2003.05 | 16 | 120,000 | 1,200,000 | 100,000 | 1,000,000 | Cash capital increase NT\$200,000 thousand (Note 5) | - | - |
| 2004.06 | 16 | 120,000 | 1,200,000 | 108,000 | 1,080,000 | Cash capital increase NT\$80,000 thousand (Note 6) | - | - |
| 2004.12 | 16 | 150,000 | 1,500,000 | 120,000 | 1,200,000 | Cash capital increase NT\$120,000 thousand (Note 7) | - | - |
| 2005.01 | 16 | 150,000 | 1,500,000 | 142,500 | 1,425,000 | Cash capital increase NT\$225,000 thousand (Note 8) | - | - |
| 2006.10 | 45 | 200,000 | 2,000,000 | 162,500 | 1,625,000 | Cash capital increase NT\$200,000 thousand (Note 9) | - | - |
| 2007.10 | 0 | 250,000 | 2,500,000 | 14,050 | 1,765,500 | Bonus Shares – Capitalization of earnings (Note 10) | - | - |
| 2008.04 | 13 | 250,000 | 2,500,000 | 83 | 1,766,330 | Exercise of employee stock options (Note 11) | - | - |
| 2008.09 | 0 | 250,000 | 2,500,000 | 3,177.9 | 1,798,109 | Bonus Shares – Capitalization of earnings (Note 12) | - | - |
| 2009.07 | 5 | 250,000 | 2,500,000 | 37,500 | 2,173,109 | Cash capital increase NT\$375,000 thousand (Note 13) | - | - |
| 2010.04 | 11.5 | 250,000 | 2,500,000 | 1,083 | 2,183,939 | Exercise of employee stock options (Note 14) | - | - |
| 2010.08 | 0 | 250,000 | 2,500,000 | (35,533) | 1,828,609 | Capital reduction NT\$355,330 thousand (Note 15) | - | - |
| 2012.04 | 13.1 | 250,000 | 2,500,000 | 188 | 1,830,489 | Exercise of employee stock options | - | Approval No. 10101159380 issued by the Department of Commerce, Ministry of Economic Affairs (MOEA) |
| 2012.07 | 12.6 | 250,000 | 2,500,000 | 137 | 1,831,859 | Exercise of employee stock options | - | Registration (101) No. 10101213130 by the Department of Commerce, MOEA |
| 2012.10 | 12.6 | 250,000 | 2,500,000 | 2,199.5 | 1,853,854 | Exercise of employee stock options | - | Registration (102) No. 10201009340 by the Department of Commerce, MOEA |
| 2013.01 | 12.6 | 250,000 | 2,500,000 | 714 | 1,860,994 | Exercise of employee stock options | - | Approval No. 10201047390 issued by the Department of Commerce, MOEA |
| 2013.01 | 19.3 | 250,000 | 2,500,000 | 2,071 | 1,881,704 | Exercise of employee stock options | - | Approval No. |

| Month | Issue Price | Approved Share Capital | | Paid-in Capital | | Note | | |
|---------|-------------|------------------------------|-------------------------|------------------------------|-------------------------|------------------------------------|--|---|
| | | Number of Shares (Thousands) | Amount (NT\$ Thousands) | Number of Shares (Thousands) | Amount (NT\$ Thousands) | Source of share capital | Payment for shares with properties other than cash | Others |
| | | | | | | | | 10201047390 issued by the Department of Commerce, MOEA |
| 2013.03 | 12.6 | 250,000 | 2,500,000 | 186 | 1,883,564 | Exercise of employee stock options | - | Approval No. 10201085500 issued by the Department of Commerce, MOEA - |
| 2013.03 | 19.3 | 250,000 | 2,500,000 | 8,619.5 | 1,969,759 | Exercise of employee stock options | - | Approval No. 1020185500 issued by the Department of Commerce, MOEA |
| 2013.08 | 11.1 | 250,000 | 2,500,000 | 44 | 1,970,199 | Exercise of employee stock options | - | Approval No. 10201175810 issued by the Department of Commerce, MOEA - |
| 2013.08 | 17.8 | 250,000 | 2,500,000 | 435 | 1,974,549 | Exercise of employee stock options | - | Approval No. 10201175810 issued by the Department of Commerce, MOEA |
| 2013.10 | 11.1 | 250,000 | 2,500,000 | 41 | 1,974,959 | Exercise of employee stock options | - | Approval No. 10201238740 issued by the Department of Commerce, MOEA -- |
| 2013.10 | 17.8 | 250,000 | 2,500,000 | 223.5 | 1,977,194 | Exercise of employee stock options | - | Approval No. 10201238740 issued by the Department of Commerce, MOEA - |
| 2014.01 | 11.1 | 250,000 | 2,500,000 | 12 | 1,977,314 | Exercise of employee stock options | - | Approval No. 10301036400 issued by the Department of Commerce, MOEA - |
| 2014.01 | 17.8 | 250,000 | 2,500,000 | 678 | 1,984,094 | Exercise of employee stock options | - | Approval No. 10301036400 issued by the Department of Commerce, MOEA - |
| 2014.04 | 17.8 | 250,000 | 2,500,000 | 162 | 1,985,714 | Exercise of employee stock options | - | Approval No. 10301086750 issued by the Department of Commerce, MOEA |
| 2015.02 | 16.2 | 250,000 | 2,500,000 | 266 | 1,988,374 | Exercise of employee stock options | - | Approval No. 1040152430 issued by the Department of Commerce, MOEA - |
| 2020.06 | - | 400,000 | 4,000,000 | - | 1,988,374 | - | - | Approval No. 10901195640 issued by the Department of Commerce, MOEA - |

| Month | Issue Price | Approved Share Capital | | Paid-in Capital | | Note | | |
|---------|-------------|------------------------------|-------------------------|------------------------------|-------------------------|--|--|---|
| | | Number of Shares (Thousands) | Amount (NT\$ Thousands) | Number of Shares (Thousands) | Amount (NT\$ Thousands) | Source of share capital | Payment for shares with properties other than cash | Others |
| 2022.08 | 10 | 400,000 | 4,000,000 | 218,315 | 2,183,151 | Capitalization of earnings NT\$103,232 thousand, capital increase from capital surplus NT\$91,545 thousand | None | Approval No. 11101162840 issued by the Department of Commerce, MOEA |
| 2023.09 | 10 | 400,000 | 4,000,000 | 214,255 | 2,142,551 | Cancellation of treasury shares NT\$40,600 thousand | None | Approval No. 11230160090 issued by the Department of Commerce, MOEA |
| 2024.05 | 70 | 400,000 | 4,000,000 | 237,784 | 2,377,841 | Cash capital increase NT\$235,290 thousand | None | Approval No. 11330107560 issued by the Department of Commerce, MOEA |
| 2025.06 | | 400,000 | 4,000,000 | 230,782 | 2,307,821 | Cancellation of treasury shares NT\$70,020 thousand | None | Approval No. 11430095170 issued by the Department of Commerce, MOEA |

Note 1: Since the Company completed supplementary public issuance in 2000, the cash capital increases and capitalization of earnings in 1998 and 1999 are not applicable.

Note 2: Approval No. 54864 (89) issued by the Securities Bureau, Ministry of Finance (MOF) (I)

Note 3: Approval No. 143426 (90) issued by the Securities Bureau, MOF (I)

Note 4: Approval No. 117445 (91) issued by the Securities Bureau, MOF (I)

Note 5: Approval No. 091100168505 (92) issued by the Securities Bureau, MOF (I)

Note 6: Approval No. 0930123291 (93) issued by the Securities Bureau, MOF (I)

Note 7: Approval No. 0930149046 issued by the FSC

Note 8: Approval No. 0930160043 issued by the FSC

Note 9: Approval No. 0950139664 issued by the FSC

Note 10: Approval No. 09600045298 issued by the FSC

Note 11: Approval No. 0940157664 issued by the FSC

Note 12: Approval No. 0970043207 issued by the FSC

Note 13: Approval No. 0980013742 issued by the FSC

Note 14: Approval No. 0940157664 issued by the FSC

Note 15: Approval No. 0990041687 issued by the Securities and Futures Bureau, FSC

2. Types of shares issued:

March 22, 2026; Unit: Shares

| Types of share | Approved share capital | | | Note |
|--------------------------|-----------------------------------|-----------------|-------------|--|
| | Outstanding shares in circulation | Unissued shares | Total | |
| Registered common shares | 217,088,140 | 169,217,860 | 400,000,000 | As of March 22, 2026, the Company has repurchased a total of 13,694,000 treasury shares. |

3. Summary reporting system information: None

(II)List of Major Shareholders

(Major shareholders with shareholding ratio of 5% or more, or among the top ten shareholders by shareholding ratio)

March 22, 2026; Unit: Shares; %

| Name of Major Shareholders | Shares | Number of Shares Held | Shareholding Proportion |
|--|--------|-----------------------|-------------------------|
| SUPERALLOY INDUSTRIAL CO., LTD. Treasury Share Account | | 13,694,000 | 5.93 |

| Name of Major Shareholders | Shares | Number of Shares Held | Shareholding Proportion |
|---|--------|-----------------------|-------------------------|
| Cheng Yi Management Consulting Co., Ltd. | | 5,684,800 | 2.46 |
| Jih-Hsin Hsu | | 4,686,100 | 2.03 |
| Guang Li Car Co., Ltd. | | 4,590,300 | 1.99 |
| Yung-Cheng Hsu | | 3,973,992 | 1.72 |
| Tsung-Jung Huang | | 3,888,800 | 1.69 |
| Xing Da International Asset Management Consulting Co., Ltd. | | 3,765,300 | 1.63 |
| Hui-Ling Li | | 3,136,773 | 1.36 |
| Yung-Chi Hsu | | 2,971,154 | 1.29 |
| Kuan-Chang Huang | | 2,811,700 | 1.22 |

Note 1 This table reflects the information from the Company's most recent share transfer suspension date prior to the publication of the annual report.

(III) Company Dividend Policy and Implementation Status

1. Dividend Policy as Stipulated in the Articles of Incorporation

If the Company records a profit after the annual final accounts, it shall first appropriate employee remuneration and directors' remuneration in accordance with Article 29 of these Articles of Incorporation. Thereafter, upon resolution of the Board of Directors, the Company shall pay applicable taxes in accordance with law, make up accumulated losses, and appropriate 10% of the remaining amount as legal reserve; provided, however, that no further appropriation shall be required if the legal reserve has reached the amount of the Company's paid-in capital. The remaining balance shall then be appropriated or reversed as special reserve in accordance with applicable laws and regulations, and together with any undistributed retained earnings, may first be used to distribute dividends payable for the current year to preferred shareholders. If any balance remains thereafter, the Board of Directors shall prepare a proposal for earnings distribution and submit it to the shareholders' meeting for resolution on the distribution of dividends and bonuses to shareholders. However, the distribution of dividends and bonuses, or the distribution in cash of legal reserve, capital surplus, or all or part thereof pursuant to Article 240, Paragraph 5 of the Company Act, may be authorized to the Board of Directors and resolved with the attendance of at least two-thirds of the directors and the approval of a majority of the directors present, and shall be reported to the shareholders' meeting.

The Company's dividend policy shall take into consideration the environment in which the Company operates and its stage of development, as well as its future funding needs and long-term financial planning. In addition to the provisions of the preceding paragraph, the total amount of shareholder dividends shall be between 10% and 90% of accumulated distributable earnings, of which cash dividends shall not be less than 20% of the total shareholder dividends. However, the Board of Directors may adjust such ratio in light of the overall operating conditions at the time and submit the same to the shareholders' meeting for resolution.

2. Proposed (or Decided) Distribution of Shareholder Dividends for the Year

The Company's distributable earnings for the year 2025 amount to NT\$3,466,235 thousand, with a proposed cash dividend payout to shareholders of NT\$217,088 thousand. The retained earnings at the end of the period stand at NT\$3,249,147 thousand. This proposal was approved by the Board of Directors on March 2, 2026, and will be reported at the shareholders' meeting to be held on May 20, 2026.

The Company plans to distribute a capital reserve—issue premium of NT\$1 per share, totaling NT\$217,088 thousand for 2025. This was approved by the Board of Directors on March 2, 2026, and will be reported at the Annual Shareholders' Meeting scheduled for May 20, 2026.

(IV) The proposed stock dividend for this year has no impact on the Company's operating performance or earnings per share: Not applicable.

(V) Employee, Director, and Supervisor Compensation

1. The Ratio or Scope of Compensation for Employees, Directors, and Supervisors as Stipulated in the Company's Articles of Incorporation.

If the Company has an annual profit, 3-15% should be allocated as employee remuneration and no more than 3% as director remuneration. However, where the Company has accumulated deficits, an amount shall first be reserved to cover such losses.

Of the employees' remuneration referred to in the preceding paragraph, no less than 60% shall be allocated for distribution to non-executive employees.

When employee remuneration is distributed in the form of shares or cash, such distribution shall be resolved by the Board of Directors with the attendance of at least two-thirds of the directors and the approval of a majority of the directors present, and shall be reported to the shareholders' meeting.

The recipients of employee remuneration in the form of shares or cash may include employees of the Company's subordinate companies who meet certain prescribed conditions.

2. The basis for estimating the amount of compensation for employees, directors, and supervisors in this period, the calculation basis for the number of shares for stock-based employee compensation, and the accounting treatment if the actual allocation amount differs from the estimated amount.

The Company calculates the estimated basis for the allocation ratio of employee and director compensation, as stipulated in the Company's Articles of Incorporation, by deducting employee and director compensation before tax from the net profit before tax during each period, and reports it as the operating costs and operating expenses for the current year. If the actual allocation amount differs from the estimated amount, the difference will be treated as a change in accounting estimate and recognized as profit or loss for the resolution year.

3. Board Approval of Remuneration Distribution

Cash or stock distribution of employee remuneration and compensation for directors and supervisors. If the recognized expense amount differs from the estimated amount for the year, the variance, reasons, and handling shall be disclosed.

On March 2, 2026, the Company's Board of Directors resolved to allocate NT\$410,960 thousand from the pre-tax net profit of the 2025 fiscal year (before employee compensation and director compensation). A 3.00% allocation for employee compensation is calculated to be NT\$12,329 thousand, of which 60% (NT\$7,397 thousand) will be allocated as compensation for frontline employees, and 0.9% (NT\$3,699 thousand) will be allocated as director compensation. All amounts will be distributed in cash. The appropriated amount is consistent with the recognized expense amount for fiscal year 2025.

4. Report on the Distribution and Outcome of Remuneration Approved by the Shareholders' Meeting

The Company shall report at the Annual Shareholders' Meeting on May 20, 2026, the distribution of employee and director remuneration for fiscal year 2025, with all amounts paid in cash: employee remuneration of NT\$12,329 thousand (including NT\$7,397 thousand for non-executive staff) and director remuneration of NT\$3,699 thousand.

5. Actual distribution of employee, director, and supervisor remuneration in the previous year (including number of shares, amounts, and share prices). Any variance from the recognized remuneration amounts for employees, directors, and supervisors shall be disclosed with the variance figures, reasons, and handling.

For 2024, as resolved by the Board of Directors on March 3, 2025, the Company distributed employee remuneration of NT\$27,938 thousand and director remuneration of NT\$8,381 thousand, all in cash.

The employee and director/supervisor remuneration for 2024 was recognized as expenses in that year, and the booked amounts were consistent with the amounts resolved by the Board of Directors for distribution.

(VI) Company Share Repurchase Status:

Share repurchase status as of the date of publication of the most recent annual report

| Number of Repurchases | First Repurchase | Second Repurchase | Third Repurchase |
|---|------------------------------------|--|--|
| Date of Board Resolution | 2024/12/26 | 2025/03/03 | 2025/12/24 |
| Purpose of Repurchase | Transfer of shares to employees | Maintenance of credit-worthiness and shareholders' interests | Maintenance of credit-worthiness and shareholders' interests |
| Expected Repurchase Price Range (Per share) | NT\$40--86 | NT\$50-95 | NT\$36--62 |
| Planned Repurchased Type and Quantity (Common Stock) | Common stock: 10,000,000 shares | Common stock: 8,000,000 shares | Common stock: 10,000,000 shares |
| Actual Repurchase Period | 2024/12/27~2025/02/26 | 2025/03/04~2025/05/03 | 2025/12/26~2026/02/11 |
| Type and Quantity of Shares Repurchased (Common Stock) (Note 1) | Common stock: 8,520,000 shares | Common stock: 7,002,000 shares | Common stock: 5,174,000 shares |
| Actual Amount of Shares Repurchased | NT\$515,172,836 | NT\$474,1205,414 | NT\$246,211,371 |
| Ratio of Shares Repurchased to Planned Repurchase Quantity (%) | 85.2% | 87.53 | 51.74 |
| Average Repurchase Price per Share | 60.47 | 63.01 | 47.59 |
| Number of Shares Cancelled and Transferred | 0 | 7,002,000 | 0 |
| Cumulative Number of the Company's Shares Held | Common stock: 8,520,000 shares | Common stock: 8,520,000 shares | Common stock: 13,694,000 shares |
| Ratio of Cumulative Number of the | 3.58% | 3.69% | 5.93% |

| Number of Repurchases | First Repurchase | Second Repurchase | Third Repurchase |
|---|------------------|-------------------|------------------|
| Company's Shares Held to Total Issued Shares (%) (Note 2) | | | |

Note 1: As of March 24, 2026, the Company has completed three share repurchase programs, totaling 20,696,000 shares.

Note 2: The ratio of cumulative shares held by the Company was calculated based on total issued shares of 237,784,140 for the first repurchase. For the second and third repurchases, the accumulated shares held were calculated against the total issued shares of 230,782,140.

II Corporate bond status: None.

III Preferred stock status: None.

IV Global Depositary Receipts (GDR) status: None.

V Employee share subscription warrants status: None.

VI Restricted employee share issuance status: None.

VII Resolutions by the Board of Directors approving mergers or issuance of new shares for acquiring other companies' shares in the most recent year and as of the date of publication of the annual report: None.

VIII Capital utilization plan execution status: None.

D. Operating Overview

I Business activities:

(I) Business scope:

1. SAI specializes in providing forging solutions such as production and sales of aluminum alloy wheels and chassis parts. We continuously develop new forging technologies, research and develop new material applications, enhance design and engineering capabilities, and invest in lightweighting benefits for forged products. Additionally, we actively engage in discussions with other industrial parts suitable for forging services. Addressing the complexity and diversity of surface treatment processes, we offer optimization suggestions during the customer design phase to meet the personalized and unique requirements of customer products. In addition to focusing on providing the finest craftsmanship in aluminum alloy wheels and suspension system components, SAI is also committed to environmental sustainability. By adopting RESAICAL® 100% Recycled Aluminum as the first choice for sustainable practices in related industries, the Company helps clients achieve optimal implementation of circular economy principles.
2. Main business activities: As outlined below
 - Design, manufacturing, processing, and trading of aerospace components.
 - Forging, design, processing, and trading of aluminum, copper, steel, titanium alloys, and hardware components.
 - Design, manufacturing, processing, and trading of molds.
 - Manufacturing, processing, and trading of rebar couplers.
 - Import and export trading of the foregoing products and their raw materials.
 - Acting as an agent for domestic and foreign manufacturers in the quotation, tendering, and distribution of the aforementioned products.
 - CD01030 Motor Vehicles and Parts Manufacturing.
 - CD01040 Motorcycles and Parts Manufacturing.
 - F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
 - F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
 - CH01010 Sporting Goods Manufacturing.
 - F109030 Wholesale of Sporting Equipment.
 - F209020 Retail Sale of Sporting Equipment.
 - CA01040 Iron and Steel Forging.
 - CA01050 Steel Secondary Processing.
 - CA01100 Aluminium Rolling, Drawing and Extruding.
 - CA02010 Manufacture of Metal Structure and Architectural Components.
 - F106010 Wholesale of Hardware.
 - F206010 Retail Sale of Hardware.
 - CA03010 Heat Treatment.
 - CA01130 Copper Rolling, Drawing and Extruding.
 - CA01030 Stationery Goods Manufacturing.
 - CE01030 Optical Instruments Manufacturing.
 - CE01040 Watches and Clocks Manufacturing.

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

3. Business Composition Ratio:

Unit: NT\$ Thousands; %

| Product Type \ Year | 2024 | | 2025 | |
|-----------------------|---------------|------------|---------------|------------|
| | Sales Revenue | Proportion | Sales Revenue | Proportion |
| Forged aluminum wheel | 6,684,529 | 89.44 | 6,340,818 | 90.88 |
| Aluminum | 463,654 | 6.20 | 315,361 | 4.52 |
| Other (Note) | 325,396 | 4.36 | 321,173 | 4.60 |
| Total | 7,473,579 | 100.00 | 6,977,352 | 100 |

Note 1: Other major items include chassis parts, accessories, and mold design and development revenue.

4. Current product lines and planned new product development:

(I) Current products (services):

Forged aluminum alloy wheels: Finished and semi-finished forged wheel products for various mobility industry vehicles.

Forged components for automotive suspension systems.

Recycled aluminum alloy billets.

Wheel accessories.

(II) Planned new products:

Development of a new surface treatment for forged aluminum wheels.

Development of larger-size forged aluminum alloy wheel products.

Development of wheels and other products suitable for five-axis machining.

Extension of aluminum product line to semiconductor and high-purity industrial applications.

(II) Forging Industry Overview:

1. Application scope of forged products:

Within the industrial structure of the manufacturing sector, the forging industry belongs to the middle-tier of the metal processing segment. Forging is a manufacturing process in which metal is shaped through the application of localized pressure. The forming is carried out using hammers (usually power hammers) or dies. It can be classified according to the temperature during the forming process: cold forging, warm forging, or hot forging. For the latter two, the workpiece is heated before forging, and the weight range of forgable parts extends from less than one kilogram to several hundred tons. Forging has been carried out by blacksmiths for thousands of years, using impact or compressive force to shape metal materials into workpieces of specific shapes and dimensions. Forging alters metal structure to refine, homogenize, and fibrate the material, thereby enhancing its mechanical properties. Since the Industrial Revolution, forged components have been widely used in mechanisms and machinery requiring high-strength parts, as well as in lightweight products and components. Such forgings usually require further processing (such as machining) to obtain finished parts. With the continuous advancement of forging technology, precision forging techniques have gradually replaced traditional cutting processes and casting methods. The Company primarily focuses on applying forging technology to the

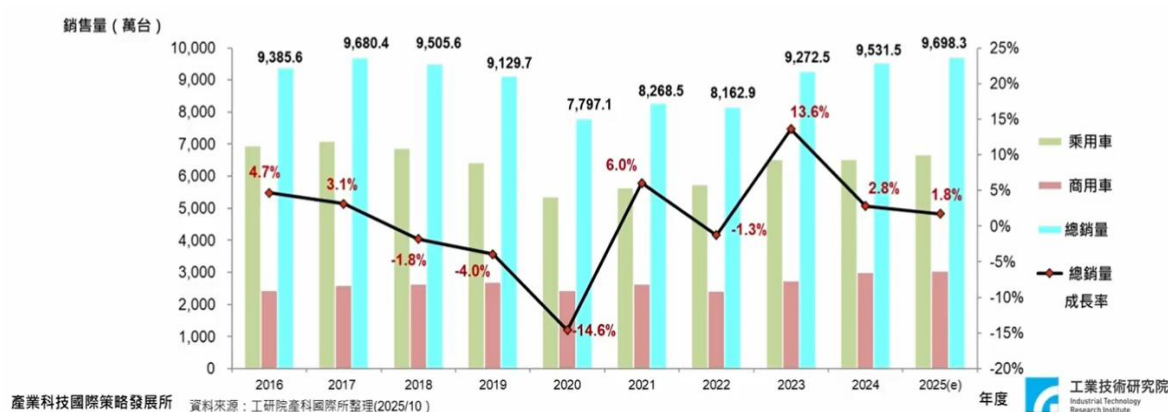
production of aluminum wheels for the automotive industry. Therefore, the fluctuations in our operations are closely tied to the health of the automotive industry. Below is an explanation of the current situation and development of the automotive industry:

A. Automotive Industry

The automobile industry is a highly precise, technical, and deeply integrated sector. As a result, its product and component development cycles are relatively long (approximately three to four years), and its manufacturing technologies and processes are also extremely complex. The main processes can be sequentially divided into forging, casting, stamping, engine assembly, transmission system and shafts, assembly and painting of chassis beams and car body, followed by final assembly, inspection, and vehicle delivery. With the long-term support from the government for the domestic automotive components industry, Taiwan's automotive sector has established a complete supply chain system. Domestic manufacturers in the automotive industry possess high-level component manufacturing technology and delivery quality. They have become important partners for major international automotive manufacturers (such as Toyota, Volkswagen, Mercedes-Benz, and BMW). Taiwan's position in the global automotive industry supply chain is increasingly significant, which will drive the technological development of related industries and enhance market competitiveness.

According to the 2025 Global Finished Vehicle Market Trend report released by the Industrial Technology Research Institute (ITRI) on February 2026, although global vehicle sales in 2025 are affected by changes in international tariff policies, the overall market is still expected to experience modest growth, with an annual growth rate of approximately 1.8%. Among them, global electric vehicle sales have benefited from national net-zero carbon reduction targets and gradually more affordable vehicle prices. By 2025, the growth rate has reached 12.6%, outperforming the overall car market, and the global share of electric vehicles is expected to surpass the 30% threshold.

In addition to continuing to cultivate the supercar and luxury car manufacturer market, the Company is actively promoting aluminum alloy forging technology into high-barrier application scenarios outside the automotive industry. The current planned new product developments and expansions include key components for semiconductor process equipment and parts for hydrogen-energy commercial vehicles. The semiconductor equipment application development project is currently in the verification stage, with the target of gradually beginning shipments within 2026 and contributing to revenue. The Company has also set medium to long-term goals, aiming to raise the revenue contribution from non-mobility product applications to over 40% within three years.



| | |
|-----------------|---|
| 銷售量(萬台) | Sales volume (ten thousand units) |
| 乘用車 | Passenger cars |
| 商用車 | Commercial vehicles |
| 總銷量 | Total sales volume |
| 成長率 | Growth rate |
| 年度 | Year |
| 產業科技國際策略發展所 | Industry, Science and Technology International Strategy Center |
| 資料來源:工研院產科國際所整理 | Source: Compiled by the Industrial Economics and Knowledge Center, ITRI |
| 工業技術研究院 | Industrial Technology Research Institute |

Source: Compiled by the Industrial Economics and Knowledge Center, ITRI, in October 2025.

B. Automotive components industry

Automotive components are primarily provided to automobile manufacturers and repair shops for replacement parts. The materials can be classified into metal components and non-metal parts, including supplies from industries such as petrochemicals, glass, steel, rubber, electrical, and electronics, covering a wide range of industries.

According to data from the Ministry of Economic Affairs and relevant industries, Taiwan's automotive components industry benefits from strong export market demand, with the total output value reaching NT\$294.6 billion in 2024. Looking ahead to period from 2025 to 2026, the Industrial Technology Research Institute (ITRI) points out that despite facing international tariff pressures and supply chain restructuring, Taiwanese manufacturers will continue to drive strong export momentum by developing smart manufacturing, enhancing high value-added products (such as components for new energy vehicles), and sharing tariff costs with customers. As a result, the overall export value was expected to remain stable at over NT\$219 billion in 2025.

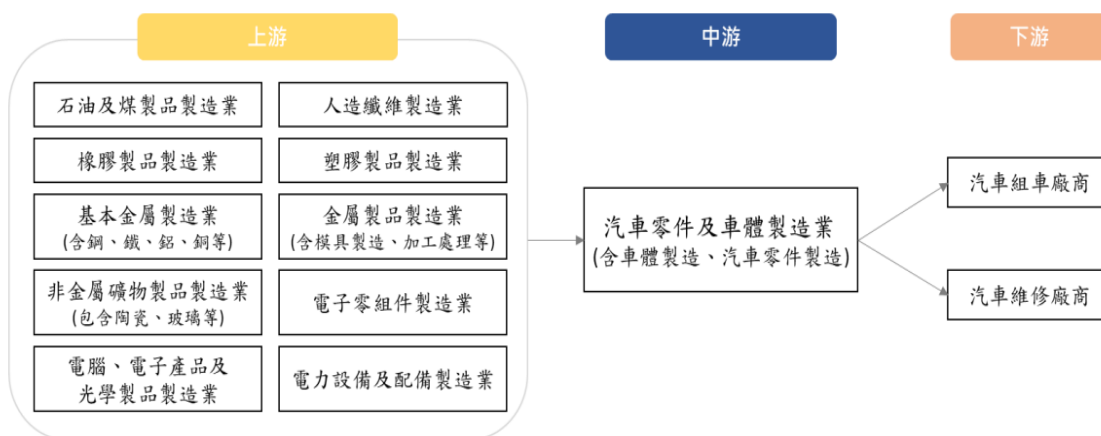
However, the global automotive industry is currently in the midst of a transition from traditional internal combustion engine vehicles to electric and hybrid vehicles, while also facing pressures from high interest rates, adjustments in international trade

tariff policies, and supply chain restructuring. The Company, with production bases in Taiwan and Germany, as well as service and storage centers in Europe and the United States, is well-positioned to help customers mitigate geopolitical risks, shorten lead times, and meet local regulatory requirements. In terms of lightweight development, electric vehicles (EVs) and hybrid vehicles (HEVs) have a much higher urgency to reduce “unsprung mass” due to the substantial weight of their batteries, compared to traditional gasoline-powered vehicles. Forged aluminum wheels, with their high strength and lightweight benefits, directly enhance vehicle range and handling, creating a strong structural market demand for high-end forged aluminum alloy wheels.

C. Relationship among upstream, midstream, and downstream industries:

The forged aluminum wheels sold by the Company are automotive components, making it a part of the automotive supply chain. Given the broad scope of the automotive industry, which spans from upstream system design, raw material supply, to downstream vehicle assembly and after-sales services, the industry chain formed by the collaboration between various satellite manufacturers and industries is vast. As the Company primarily provides automotive components, the relationships within the industry’s upstream, midstream, and downstream segments are as follows:

Automobile parts and body manufacturing industry association diagram



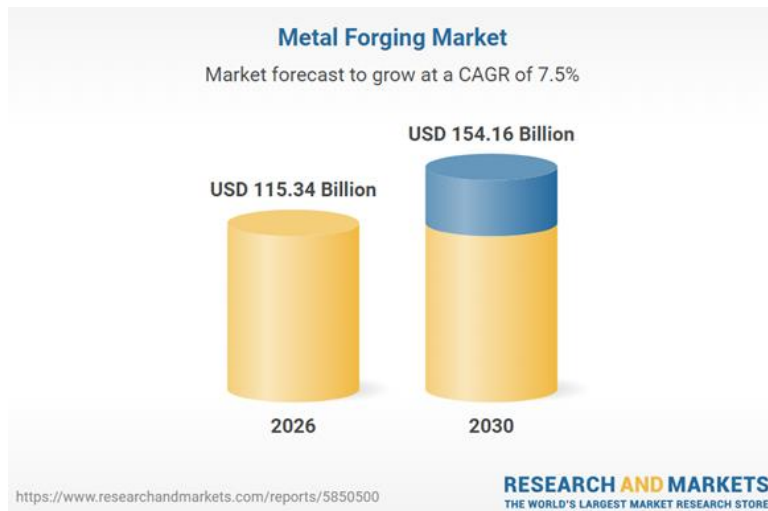
| 上游 | Upstream | 中游 | Midstream | 下游 | Downstream |
|----------------------|--|--------------------------|--|--------|-----------------------------------|
| 石油及煤製品製造業 | Petroleum and Coal Products Manufacturing | | | | |
| 橡膠製品製造業 | Rubber Products Manufacturing | | | 汽車組車廠商 | Automobile assembly manufacturers |
| 基本金屬製造業(含銅、鐵、鋁、鈉等) | Basic metal manufacturing industry (including copper, iron, aluminum, sodium, etc.) | 汽車零件及車體製造業(含車體製造、汽車零件製造) | Automobile parts and body manufacturing industry (including body manufacturing and automobile parts manufacturing) | | |
| 非金屬礦物製品製造業(包含陶瓷、玻璃等) | Non-metallic mineral products manufacturing industry (including ceramics, glass, etc.) | | | 汽車維修廠商 | Automobile repair manufacturers |
| 電腦、電子產品及光學製品製造業 | Computer, electronic products, and optical products manufacturing industry | | | | |
| 人造纖維製造業 | Manufacture of Man- | | | | |

| | | | | | |
|----------------------|---|--|--|--|--|
| | made Fibers | | | | |
| 塑膠製品製造業 | Plastic Products Manufacturing | | | | |
| 金屬製品製造業(含模具製造、加工處理等) | Metal products manufacturing industry (including mold manufacturing and processing) | | | | |
| 電子零組件製造業 | Electronics Components Manufacturing | | | | |
| 電力設備及配備製造業 | Electric power equipment and apparatus manufacturing industry | | | | |

Source: Taiwan Industry Economics Services Database

D. Product development trends and competitive landscape

According to Research and Markets' Metal Forging Global Market Report (published in 2026), the global metal forging market size in 2025 was approximately US\$107 billion. Benefiting from the rise of electric vehicle manufacturing and the increasing demand for lightweight aluminum and titanium alloy forgings, the market is expected to grow steadily at a compound annual growth rate (CAGR) of 7.5% during the forecast period, with the overall market size projected to reach USD 154.16 billion by 2030. Aluminum forged parts in the metal forging market are suitable for applications where safety is critical and lighter metals are required to achieve energy efficiency or speed.



Source: Research and Markets, January 2026.

A. Lightweighting

Taking the automotive industry as an example, reducing energy consumption remains an important target, and automotive lightweighting can help achieve this. Generally, for every 10% reduction in the weight of a vehicle, fuel consumption can be reduced by 6-8%, and fuel efficiency increases by 5.5%. As the vehicle weight decreases, the inertia is reduced, and the rotational inertia resistance of the drive wheels becomes smaller. This results in less energy loss during power transmission to the rear wheels, thereby improving acceleration performance. Reducing unsprung mass improves suspension response, enhances ride quality, and boosts braking performance. Braking distance is shortened, thereby enhancing automobile safety

performance. Higher strength than ordinary cast wheels, with roundness or deformation effectively ensuring vehicle driving safety. Therefore, forging manufacturers must consider various aspects when aiming to produce lighter products, including selecting suitable materials and improving manufacturing processes to enhance the metal properties, thereby reducing thickness and achieving weight reduction. In addition, the rapid growth of new energy vehicles such as electric and hybrid cars is driving increasingly higher demands for lightweight design.

In the mobility industry, components such as shafts, wheels, hangers, side supports, torsion bars, rollers, large rings, and connecting rods are used. Industries like automotive, aerospace, and defense are increasingly demanding lightweight materials. Metal forgings have the advantage of a high strength-to-weight ratio, making them an ideal choice for producing lightweight components. As industries work to improve fuel efficiency, battery range, and reduce emissions, the growing demand for lightweight forged parts will be a major driving force for market development.

B. Technologization of Manufacturing Processes

The direction of automobile development is toward small engines with high horsepower, and with four-wheel-drive SUVs becoming increasingly popular, this implies that the demand for forged parts will rise. The concept of shared platforms and supply chain integration management is also becoming increasingly common among automakers. They are now adopting system component suppliers who provide pre-assembled modules instead of sourcing individual parts themselves. As a result, parts suppliers are being relegated to second-tier or even third-tier suppliers, putting pricing pressure on forging plants. Shared vehicle platforms mean that the quantity per order increases, but the price must be reduced. Forging plants must make good use of technology to improve management efficiency, enhance engineering and process technology capabilities to improve production lines, increase production capacity, and reduce costs. For exterior components like wheels, advanced software design and simulation tools are utilized to test, refine, and optimize the design, enhancing the formability of the finished product and improving product quality. This approach also helps expand the product range by developing forged products with innovative designs, creating differentiation in the market. At the same time, in response to the rapid development of artificial intelligence (AI) technology, forging factories can leverage AI modeling to predict and improve material yield, shorten product development time, and reduce development and testing costs. AI can also be applied to process quality control, automated and intelligent quality inspections, thereby creating a competitive advantage.

C. Material Sustainability

As global net-zero emissions and carbon neutrality become major trends, automobile manufacturers are increasingly focusing on green and sustainable development. In the automotive industry, this means not only increasing the reuse rate

of materials but also extending product life cycles and reducing overall environmental impact. From design, manufacturing, use to recycling, every stage incorporates sustainability considerations to achieve closed-loop resource management. Benefiting from automobile manufacturers' expanded adoption of aluminum as a raw material to achieve lightweighting and sustainability, demand in the mobility industry is increasing, driving market growth. The process of refining bauxite into primary aluminum is highly energy-intensive and results in significant carbon emissions, while bauxite mining causes ecological damage. In response to the 2050 net-zero carbon target, low-carbon products have become a major focus for automobile manufacturers. Compared with primary aluminum, recycled aluminum can reduce carbon emissions by more than 95%, which will effectively help the industry move toward sustainable transformation and net-zero.

(III) Technology and R&D Overview

(1) Business technology level of operations:

- A. Product Design Stage – The design shape is created using NX and CATIA (CAD) software, and the product's stress state is simulated using FEA analysis software ABAQUS to estimate the product's reliability and durability.
- B. Mold Design Stage – Molds and related parts are designed and developed using AutoCAD, Pro-E, NX, and CATIA software. The design is then converted into CAM programming language for machining the molds through the software's CAD interface.
- C. During the forging preform design phase—without affecting the mechanical properties of the preform—the optimal forging design is created. This design is analyzed through FORGE simulation to assess the material flow during forging, understand the tonnage requirements for the forging equipment, and examine the surface forming conditions after multiple forging passes. By modifying the forging design and process capabilities, the efficiency is further enhanced.
- D. Continuous Improvement in Process Design Capability – Different manufacturing processes are designed based on the material and characteristic requirements of the product. During the actual trial production process, various parameters are continuously adjusted and refined to meet the product's specific characteristics and requirements.
- E. Continuously optimize net-shape forged wheel technology, increase production capacity, and provide customers with diverse products and technical services.

2. Recent annual R&D expenditures and successfully developed technologies or products:

Unit: NT\$ Thousands

| Items | 2024 | 2025 |
|---------------------------------------|-----------|-----------|
| Net revenue (a) | 7,473,579 | 6,977,352 |
| Research and development expenses (b) | 151,096 | 153,353 |

| Items | 2024 | 2025 |
|--|------|------|
| Research and development to revenue ratio (b/a%) | 2.02 | 2.20 |

3. Successfully developed technologies or products:

| Year | R&D Achievements: | Applicable Field |
|------|--|------------------------------------|
| 2021 | Completion of lightweight design and analysis capabilities for the front fork damping system of the Rolls-Royce chassis suspension components. | Chassis suspension components |
| | Completed smelting operations and achieved stable mass production of conforming 6061 recycled aluminum. The material quality of this aluminum alloy grade has been certified by a number of customers. | Melting aluminum casting rod/ingot |
| | Passed functional testing for EU-standard truck wheels | TÜV Truck |
| 2022 | Completed the independent design and manufacturing of smelting casting molds | Melting aluminum casting rod/ingot |
| | Completed the independent design and manufacturing of various fixtures | Metalworking processes |
| | Completed the development of an alkaline eco-friendly paint removal process | Paint stripping process |
| 2023 | Completed smelting operations and achieved stable mass production of conforming 6082 recycled aluminum. The material quality of this aluminum grade has been certified by Porsche. | Melting aluminum casting rod/ingot |
| | Establishment of a three-stage wheel rim sandblasting process | Polishing process |
| | Establishment of an automated loading and unloading system for painting masking | Painting process |
| | Shortest polishing process combined with a coating application process | Polishing process |
| 2024 | Development of a new casting mold for horizontal continuous casting, enhancing mold service life and introducing it into mass production. | |
| | Establishment of the standard operating procedure for dynamic rotation CFD (Computational Fluid Dynamics) airflow analysis of wheel rims (aerodynamics) | |
| | Integration of AI models into business operations and product development. | |
| | Development of a release agent spraying process using robotic arms for spraying, and its integration into mass production. | |
| | Development of the net-forged forming process for AMG wheel rim products. | |
| 2025 | Development of a new casting lubricant for horizontal continuous casting, enhancing mold service life and introducing it into mass production. | |
| | Introduction of AI technologies into quality control and quality inspection, with subsequent implementation in mass production. | |
| | Trial production of 23-inch and 24-inch forged aluminum alloy wheel products. | |
| | Introduction of the Manufacturing Execution System (MES). | |

(IV) Short- and Long-Term Development Plan:

(1) Short-term Development Plan: Dual-Engine Activation and Profitability Optimization

A. Lean Production and AI Empowerment:

- Promote lean production to enhance capacity utilization and increase output per employee.
 - Accelerate the application of AI technologies in production simulation, quality inspection, and supply chain management to precisely control costs and optimize material yield, leveraging digital transformation to address global manufacturing challenges.
- B. Green Transformation and Product Differentiation:
- Technology Upgrade: Leverage five-axis precision machining and advanced surface treatment technologies to meet diverse customer demands for lightweight, customized components.
 - 50% Recycled Aluminum Target: Aimed at increasing the proportion of recycled aluminum usage to over 50% by the end of 2026. In addition to supplying OE automakers to support their carbon neutrality goals, we will also expand sales to other industries to mitigate raw material price volatility risks and generate a green premium.
- C. Substantive Contributions from the Dual-Engine Strategy
- Leverage existing forging capabilities to obtain customer qualification, ensuring that semiconductor equipment applications begin contributing to revenue in 2026. This will mark an initial step toward business diversification and reduce reliance on a single industry cycle.
- (2) Medium to Long-Term Development Plan:
- A. Forward-looking Technology R&D:
- Develop next-generation near-net-shape processes with reduced processing steps and advance new metal forming technologies to deliver lightweight solutions with both cost competitiveness and low-carbon advantages.
 - Modularize forming technologies to enable flexible application in high-strength component requirements beyond the mobility industry.
- B. Circular Economy Scaling:
- With the second smelting plant scheduled for completion and commencement of operations by the end of 2026, total production capacity will increase significantly. We will leverage this additional capacity to aggressively enter the global cross-industry recycled aluminum supply chain, while deepening post-consumer recycled technologies to maximize the revenue contribution of the circular economy.
- C. Advancing Toward Smart Factories:
- Leverage mature AI big data analytics to progressively achieve automated production from individual workstations to entire production lines. The objective is to establish “smart factories” that significantly reduce labor dependency, shorten development cycles, ensure quality consistency, and maximize production efficiency.

II Overview of Market and Production/Sales

(I) Market Analysis

(1) Sales/Provision Regions of Main Products and Services

Unit: NT\$ Thousands

| Sales Region \ Year | | 2024 | | 2025 | |
|---------------------|----------|---------------|--------|---------------|-------|
| | | Sales Revenue | % | Sales Revenue | % |
| Domestic Sales | | 1,883,856 | 25.21 | 2,123,688 | 30.44 |
| Export Sales | Europe | 4,420,308 | 59.15 | 3,784,717 | 54.24 |
| | Americas | 1,160,090 | 15.52 | 1,064,751 | 15.26 |
| | Others | 9,325 | 0.12 | 4,196 | 0.06 |
| | Subtotal | 5,589,723 | 74.79 | 4,853,664 | 69.56 |
| Total | | 7,473,579 | 100.00 | 6,977,352 | 100 |

(2) Market Share

Among others, SAI clients include globally renowned automakers such as Ferrari, Porsche, McLaren, Bentley, Aston Martin, Mercedes-Benz (including Maybach and AMG), BMW (including Rolls-Royce and MINI), Jaguar Land Rover, Lexus, Lotus, and electric truck manufacturer Workhorse. According to the statistical data from the Ministry of Economic Affairs, the total output value of Taiwan's automotive parts industry in 2025 was NT\$227.6 billion. SAI's net revenue for 2025 was NT\$6,977,352 thousand, meaning SAI's market share in the domestic automotive parts industry was approximately 3.07% of the total industry output value in 2025.

(Data source: Ministry of Economic Affairs Online Statistical Information Inquiry System, compiled by the Taiwan Transportation Vehicle Manufacturers Association) Automotive parts excluding automotive electronics.)

(3) Future Market Supply and Demand Conditions and Growth Potential

As the global shift toward electrification of vehicles progresses, the demand for lightweight chassis and forged aluminum wheels is experiencing steady growth. According to the global electric vehicle outlook report updated by EV Volumes in late 2025 to early 2026, global electric vehicle (including BEV and PHEV) sales are expected to grow strongly by approximately 20% in 2025, reaching around 20.7 million units. The market penetration rate of new cars worldwide is projected to rise to 25.5%, with the market share further increasing to 27.5% in 2026. The increased vehicle weight from battery modules in electric vehicles has led automakers to place even greater emphasis on reducing unsprung mass. This continues to create market opportunities for high-end forged aluminum wheels.

(4) Competitive Niche

- A. Long-term collaboration with internationally renowned companies, establishing the Company as a trusted partner for clients.

- B. The technical team is highly experienced and possesses strong customization capabilities.
 - C. Possession of process integration capabilities and professional testing and inspection expertise.
 - D. Exceptional quality with multiple international certifications.
 - E. Possession of the capability to produce smelted recycled aluminum materials
- (5) Favorable and Unfavorable Factors for Future Development and Corresponding Countermeasures:

A. Favorable Factors

(A) In the context of worsening global climate change and increasingly severe air pollution, the demand for energy conservation, carbon reduction, and reduced environmental pollution is growing stronger. Automotive exhaust emissions are one of the key contributors to air pollution and climate warming. As a result, major automobile manufacturing and usage countries worldwide are implementing stricter regulations on fuel consumption and exhaust emissions. Lightweighting in vehicles is one of the solutions to address these challenges. Simultaneously, the market for new energy vehicles (electric vehicles) is increasing, and the demand for lightweight components will continue to rise overall.

(B) Despite adjustments in the global new car sales market due to inventory and interest rate conditions, the Company's order visibility in the ultra-luxury car market remains clear. Several top international automotive brands have already unveiled their 2026 model year vehicles, including high-spec models such as the Porsche Cayenne, Lamborghini Urus, and Rolls-Royce Spectre, all equipped with SAI's high-strength, lightweight forged aluminum wheels. In terms of competitive niche, the Company's self-developed RESAICAL® recycled aluminum offers extremely high green economic benefits, with energy consumption only 5% of that of primary aluminum, and carbon emissions being less than 8% of primary aluminum. Through process optimization, the smelting yield of recycled aluminum has significantly increased from 69% in 2020 to 97% in 2025. The application of SAI RESAICAL® Aluminum not only helps reduce the overall procurement costs of the Company but has also received official certification and adoption by seven international automotive brands, including Porsche, BMW, Lexus, Stellantis, and JLR. Additionally, the Company successfully obtained ASI (Aluminium Stewardship Initiative) Performance Standard Certification, establishing its strategic position in the global low-carbon supply chain for high-end manufacturing industries.

At the same time, under the wave of ESG (Environmental, Social, and Governance) sustainable development, low-carbon materials have become a core competitive advantage in the automotive supply chain. According to a market report published by TechSci Research in January 2026, the global recycled aluminum market

reached a size of USD 54.23 billion in 2025. In response to the strong demand from the automotive industry for a transition to low-carbon supply chains, it is projected that the market will grow at a compound annual growth rate (CAGR) of 8.18% from 2026 to 2031, with the market size expected to reach USD 86.92 billion by 2031. SAI's actively expanding second recycled aluminum smelting plant will precisely align with this massive green dividend opportunity.

Source: TechSci Research, January 2026

(C) The world has endured a three-year disruption due to the COVID-19 pandemic. In an effort to save their economies and reduce the subsequent inflationary pressures, countries have shifted their monetary policies from quantitative easing to rapid interest rate hikes. Amid this financial wave, national wealth is facing redistribution, with the income polarization phenomenon (M-shaped income distribution) intensifying, leading to a widening gap between the rich and the poor. Due to the continuous expansion of the high-net-worth population, the global luxury goods market has seen rapid growth and has become one of the key drivers of the luxury car market. The Company's main customer base is concentrated at the top of the pyramid, focusing on supercar and luxury car brands. According to the latest research report released by Global Market Insights in January 2026, the global luxury car market has demonstrated strong consumer resilience, with the market size reaching US\$593.8 billion in 2025. Benefiting from the increase in global high-net-worth individuals and the accelerated launch of high-end electric vehicle models by luxury brands, it is predicted that the luxury car market will grow rapidly at a compound annual growth rate (CAGR) of 6.3% until 2035, reaching a market size of USD 1.09 trillion. This will provide long-term and stable growth momentum for the Company's core customized forged aluminum wheel business.

Source: Global Market Insights, January 2026.



B. Unfavorable Factors

- (A) Advancements in casting technology have reduced the gap between cast and forged products.

Countermeasures

Product diversification and modularization. In addition to the development and promotion of the net-forged forming process for wheel rims, the Company has further enhanced production efficiency, creating high-quality wheel rim products at competitive prices. In the future, the Company will continue to develop more cost-competitive net-shape forging processes that reduce the number of production steps, while advancing toward larger-sized forgings. Additionally, the Company will invest in newly installed five-axis machining centers and related processing technologies to further enhance the design flexibility of forged aluminum wheels, reduce the weight of finished products, and increase their added value. In addition, the Company will explore new metal forming techniques that combine the advantages of both casting and forging. In the area of chassis suspension components, in addition to providing individual parts, the Company will continue to develop assembled units and integrate the upcoming small-sized recycled aluminum ingot production capacity. This will offer customers low-carbon forged component solutions.

- (B) The market environment has been affected by uncontrollable factors, leading to delayed deliveries in the supply chain and significant fluctuations in demand.

Countermeasures

- ① By closely monitoring industry trends and market dynamics through information gathering, the Company continuously adjusts its in-house production planning flexibly based on customer demands, ensuring the ability to meet customer needs.
- ② The Company continues to expand its global customer base, with clients spread across Europe, the Americas, Asia, and Oceania, in order to mitigate the impact of regional political and economic fluctuations on the overall business.

- (C) Training production line and R&D personnel is challenging, and the turnover rate is high.

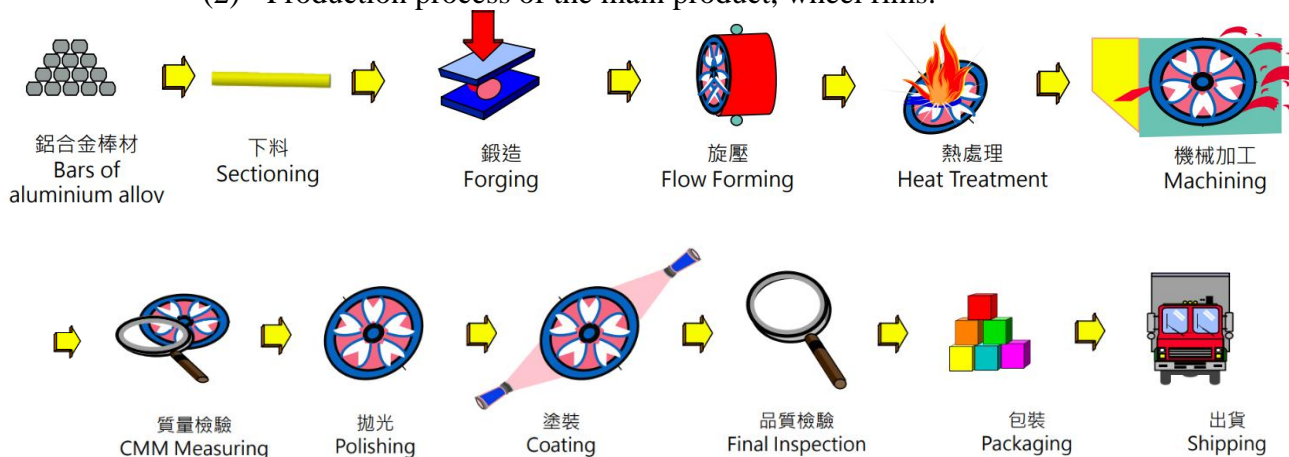
Countermeasures

The turnover rate of production line staff is higher due to the nature of the work, and there is also a shortage of talent focused on forged products. The importance of talent for business development cannot be overlooked in the Company's growth. Beyond enhancing its personnel management systems, the Company has actively promoted employee welfare and internal communications, fostered team cohesion, and maintained ongoing industry-academia partnerships with universities and academic institutions to develop research and technical talent.

In order to optimize overall employee benefits, the Company's Board of Directors also decided in 2024 to launch an employee stock ownership trust program, aiming to build a happy workplace.

In addition, the Company will continue to optimize the efficiency of various processes and introduce artificial intelligence (AI) technology for application in product development, production manufacturing, quality inspection automation, and smart technology. This will not only further improve yield rates but also aim to reduce the reliance on labor in production-related activities in the future.

(2) Production process of the main product, wheel rims:



(II) Supply status of the main raw materials

| Product type | Raw Materials | Suppliers | Supply Availability |
|-----------------------|----------------|--|--|
| Forged aluminum wheel | Aluminum Alloy | DUBAL and EGA (Singapore) (Note) | The quality is stable, the supply volume is large, and the source is reliable. |
| Forged aluminum wheel | Aluminum Alloy | The Company - Research and Development of Recycled Aluminum Smelting | The quality is stable, and the source is reliable. |

Note: Dubai Aluminium Co., Ltd. (hereinafter referred to as DUBAL) is a member of the Emirates Global Aluminium (EGA) group, a major international aluminum company based in the United Arab Emirates. The primary business of DUBAL involves aluminum production and smelting. In recent years, due to internal regional business integration considerations, the EGA group has adjusted the Company's trading counterpart to be the exclusive distributor for the Asia region, Emirates Global Aluminium (Singapore) Pte. (hereinafter referred to as EGA), starting from 2022. EGA is responsible for handling order processing and shipment arrangements for EGA Group's customers in the Asia-Pacific region.

(III) Names of any suppliers (customers) whose total purchases (sales) accounted for more than 10% of the total revenue in either of the past two years, along with the percentage of purchases (sales) and an explanation of the reasons for any increase or decrease in these amounts:

1. Information on the main suppliers for the past two years:

Unit: NT\$ Thousands

| Items | 2024 | | | | 2025 | | | |
|-------|-----------------|-----------|--|------------------------------|-----------------|-----------|--|------------------------------|
| | Name | Amount | Percentage of Total Annual Net Purchases | Relationship with the Issuer | Name | Amount | Percentage of Total Annual Net Purchases | Relationship with the Issuer |
| 1 | EGA (Singapore) | 1,642,967 | 68 | None | EGA (Singapore) | 1,685,303 | 66 | None |

| | | | | | | | |
|--|---------------|-----------|-----|--|---------------|-----------|-----|
| | Others | 774,260 | 32 | | Others | 868,288 | 34 |
| | Net purchases | 2,417,227 | 100 | | Net purchases | 2,553,591 | 100 |

Reason for change: In 2025, the Company moderately increased inventory levels in anticipation of order growth for 2026. In 2024, the global economy slowed due to U.S. tariffs, but international aluminum prices rose on average compared to 2023, resulting in an increase in purchase amounts.

2. Main customers in the past two years:

Unit: NT\$ Thousands

| Items | 2024 | | | | 2025 | | | |
|-------|---------------|-----------|--------------------------------------|------------------------------|---------------|-----------|--------------------------------------|------------------------------|
| | Name | Amount | Percentage of Total Annual Net Sales | Relationship with the Issuer | Name | Amount | Percentage of Total Annual Net Sales | Relationship with the Issuer |
| 1 | Toyota Taiwan | 1,508,427 | 20.18 | None | Toyota Taiwan | 1,801,342 | 25.82 | None |
| 2 | JLR | 1,223,921 | 16.38 | None | JLR | 942,760 | 13.51 | None |
| 3 | Porsche | 1,079,716 | 14.45 | None | Porsche | 1,237,796 | 17.74 | None |
| | Others | 3,661,515 | 48.99 | | Others | 2,995,454 | 42.93 | None |
| | Net sales | 7,473,579 | 100 | | Net sales | 6,977,352 | 100 | |

Explanation: The change is due to an increase in orders from the customer, Toyota Taiwan.

III The number of employees in the past two years and as of the report publication date, along with the average years of service, average age, and educational background distribution ratio:

Unit: Person

| Year | 2024 | 2025 | As of February 28, 2026 |
|---|---------------------------|-------|-------------------------|
| Number of employees | Managers | 7 | 7 |
| | General employees | 454 | 466 |
| | Production line employees | 1,050 | 941 |
| | Total | 1,511 | 1,414 |
| Average age | 38.18 | 39.41 | 39.57 |
| Average years of service | 7.82 | 8.77 | 8.94 |
| Educational background distribution ratio | PhD | 3 | 3 |
| | Master's Degree | 66 | 62 |
| | University (College) | 480 | 464 |
| | Below High School | 962 | 885 |
| | Total | 1,511 | 1,414 |

IV Environmental Expenditure Information

(I) Environmental Protection Policy

- Promoted EHS (Environmental, Health, and Safety) awareness among employees and relevant stakeholders.
- Comply with EHS (Environmental, Health, and Safety) regulations and related requirements.
- Achieved EHS (Environmental, Health, and Safety) targets by promoting energy conservation, carbon reduction, green environmental protection, and physical and mental well-being.

4. Improved EHS (Environmental, Health, and Safety) processes to reduce environmental hazards and ensure the safety and health of personnel.

(II) For the most recent year and up to the date of the annual report publication, the losses incurred by the Company due to environmental pollution:

(Including compensation and environmental protection inspection results related to violations of environmental regulations, the following details should be specified: the disposition date, disposition number, violated legal provisions, content of the violation, and the disposition content.) The Company should also disclose the estimated amounts for current and potential future violations, along with corresponding response measures. If such amounts cannot be reasonably estimated, the Company should explain the reasons for being unable to provide a reasonable estimate.

| Disposal date | Disposition Reference Number | Legal provisions violated | Content of legal violation | Nature of penalty |
|---------------|---|---|---|---|
| 2025.03.04 | Penalty Document No. 40-114-030020 | Subparagraph 1, Paragraph 1, Article 31 of the Waste Disposal Act | On January 17, 2025, the Department of Environmental Protection independently reconciled the online declaration data from June 2022 to October 2024. It was found that the Company's waste R-0403, in April 2023, reported a production quantity exceeding the maximum monthly output listed in the waste clearance document by 10%, without submitting a revised waste management plan. This situation constitutes a violation of Article 31, Paragraph 1, Item 1 of the Waste Disposal Act. | Received an administrative fine of NT\$6000. Deadline for correction: March 30, 2025. Environmental training for 1 hour |
| 2025.03.24 | Ref. No.: Lao-Zhi-Shou-Zi No. 1140251130 | Article 43, Paragraph 1 of the Occupational Safety and Health Facilities Regulations and Article 6, Paragraph 1 of the Occupational Safety and Health Act | Regarding the air compressor's power supply, with a ground voltage of 215 volts and a ground voltage of 150 volts or more, portable electrical equipment has not been equipped with a leakage circuit breaker with high sensitivity and fast action to effectively prevent electric shock, as required by the regulations. | Received an administrative fine of NT\$100,000. |
| 2025.08.21 | Ref. No.: Lao-Zhi-Shou-Zi No. 1140254005 | Article 6, Paragraph 1 of the Occupational Safety and Health Act | The forklift did not place the forks on the ground when the driver left the seat; for the counterbalance forklift, the driver did not consistently use the seatbelt as required. | Received an administrative fine of NT\$100,000. |
| 2025.09.15 | Ref. No.: Lao-Zhi-Shou-Zi No. 1140254390A | Article 27, Paragraphs 1, 2, 3, 4 of the Occupational Safety and Health Act | The maintenance project for the A Building, 3rd floor, Y2 pre-treatment track in Factory 2 was subcontracted by Kaixin to Syed Thai Machinery Co., Ltd. However, no designated agreement organization or responsible person for the worksite was set up to oversee, supervise, and coordinate the work. | Received an administrative fine of NT\$100,000. |
| 2025.11.21 | Ref. No.: Lao-Zhi-Shou-Zi No. 1140255262 | Article 57, Paragraph 1 of the Occupational Safety and Health Facilities Regulations | While Worker Wu was conducting cleaning operations on a blanking machine, a second worker pressed the inching button of said machine, thereby activating the hydraulic cylinder, which | Received an administrative fine of NT\$100,000. |

| Disposal date | Disposition Reference Number | Legal provisions violated | Content of legal violation | Nature of penalty |
|---------------|------------------------------|---------------------------|---|-------------------|
| | | | clamped the left hand of Worker Wu, resulting in an open fracture of the left index finger. | |

Response measure: The Company continuously improves and promotes its environmental management system, enhances pollution control equipment, and reduces impact on issues of the environment and air pollution, in order to ensure compliance with regulations and achieve environmental sustainability in our operations.

V Labor Relations:

- (I) Employee welfare measures, continuing education, training, retirement systems and their implementation, as well as labor-management agreements and the status of various employee rights protection measures

The Company has established an Employee Welfare Committee, which regularly implements various welfare measures. In addition to providing employees with opportunities to participate in various training and educational programs to enhance their perspectives, the Company offers vacation plans, insurance, employee health check-up programs, travel subsidies, marriage, funeral, and celebration allowances, as well as meal subsidies, all of which exceed labor law requirements. The Company also organizes occasional activities such as afternoon tea and department gatherings. These initiatives ensure that employees can work with peace of mind, maintain a balance between work and life, and become key partners in the Company’s long-term development.

In addition to mandatory government insurance coverage, the Company also provides free group insurance for employees, ensuring peace of mind beyond their work responsibilities. To enhance employee welfare, the Company has additionally established an Employee Welfare Committee, organized various club activities, and provided monetary gifts for occasions such as weddings, funerals, and celebrations.

- (1) Continuing education and training status:

Every year, the Company schedules orientation training for new employees as well as on-the-job training for existing staff. In addition, continuing education courses offered by academic institutions are posted on the Company bulletin board to make it convenient for employees to access relevant information.

- (2) Retirement system and implementation status:

To ensure that employees can work with peace of mind during their employment and maintain their livelihood after retirement, the Company has established retirement policies based on the Labor Standards Act (referred to as the “Old Labor Pension System”) and the Labor Pension Act (referred to as the “New Labor Pension System”). Employees who choose the Old Labor Pension System will have a portion of their monthly salary contributed to the labor retirement reserve fund based on an approved percentage. Employees who choose the New Labor Pension System will

have their pension contributions paid by the Company on a monthly basis, with a contribution rate of at least 6% of their monthly wages, which will be deposited into their individual labor pension accounts, ensuring their retirement benefits.

(3) Labor-management agreements:

The Company places great importance on employee feedback and adopts a two-way, open communication approach with staff. Prior to meetings, employee representatives gather feedback from colleagues, and during meetings, discussions on relevant topics take place. Internal communication channels are smooth, and labor-management meetings are held regularly every three months. These meetings cover topics including, but not limited to, management systems, labor conditions, and work efficiency. Both labor and management representatives are invited to attend and discuss, aiming to maintain a good and harmonious interactive relationship between labor and management.

(4) Employee rights protection measures:

In safeguarding employee rights, the Company not only strictly complies with relevant legal requirements but also ensures that management continuously improves both software and hardware facilities in response to employee needs. In accordance with the Company's Articles of Incorporation, employee bonuses are distributed, and treasury shares are transferred to employees, enabling them to share in the Company's operating results.

(5) Occupational safety and health:

- A. Honorary Achievement Awards: The Company has been awarded the Ministry of Health and Welfare's Health Management Award, the Outstanding Occupational Health and Safety Management Unit and Personnel Achievement Award, the Excellent Health Workplace and Betel Nut-Free Workplace recognition, as well as the Health Workplace Certification and Badge of Accredited Healthy Workplace.
- B. The Company has aligned with international occupational safety and health trends by transitioning to the ISO 45001 management system, thereby implementing workplace safety and health management practices to reduce potential risks.
- C. Internal and external verification: According to the management systems of ISO 14001 (Environmental Management) and ISO 45001 (Occupational Health and Safety), the Company has an internal dedicated audit unit that conducts regular internal audits. External verification audits are performed annually, and certification is carried out every three years. In December 2024, the company passed the Occupational Health and Safety Management System verification. In 2024, the Company also added a new plant location (Zhuwei Plant) for certification and successfully obtained the certification.

- D. Internal and external training: In 2025, the total number of training hours for employees in service was 64,913.12 hours, with a total of 24,755 participants.
- E. Occupational injury management results: The Company adheres to its environmental, health, and safety policies and continues to promote safety and health initiatives. Through the PDCA (Plan-Do-Check-Act) management mechanism, the Company actively implements risk assessments and improves the working environment from the design, manufacturing, input, or construction planning stages, continuously working to reduce risks and improve safety.

F. Health Management and Promotion:

Every year, the Company conducts regular annual health examinations and special health checks, extending participation to employees' family members as well, in order to jointly promote health and physical fitness. The Company collaborates with public sectors, academic institutions, and associations to organize various health-related activities, including blood donation drives, AI stroke detection, administration of left-flow-right-new vaccines, technological fitness assessments, and health seminars (such as stress relief, physical fitness, and nutrition). Additionally, the Company works with the catering service provider to offer employees nutritional information about their meals, aiming to promote a healthier lifestyle for employees.

(II) Losses incurred by the Company due to labor-management disputes in the past two fiscal years and up to the publication date of the annual report

(Include labor inspection results regarding violations of the Labor Standards Act, specifying the disposition date, disposition number, violated legal provisions, the content of the violation, and the disposition details). The Company should also disclose the estimated amounts for current and potential future violations, along with corresponding response measures. If such amounts cannot be reasonably estimated, the Company should explain the reasons for being unable to provide a reasonable estimate.

(1) Labor-Management Dispute

In the past two years and as of the printing date of this annual report, the Company has concluded a total of 2 labor disputes. The amounts involved in each dispute are minimal in relation to the Company's revenue, and both cases have been resolved through settlement with the employees or concluded through litigation, having no significant impact on the Company. Occupational health and safety management system certification.

| Date | Content | Disposition Reference Number | To the Company's finances Impact on business |
|------------|---|------------------------------|--|
| 2025.04.10 | On April 10, 2025, the Yunlin County Government sent an official letter (Letter No. Fu-Lao-Zi-Er-Zi No. 1143413008) regarding a labor dispute filed by an employee, Mr. Chen, | None | No material impact |

| Date | Content | Disposition Reference Number | To the Company's finances Impact on business |
|------------|---|------------------------------|--|
| | concerning issues related to paid time off wages and bonuses, and requested mediation. After mediation, due to significant differences in the parties' understanding of the requested matters, no consensus could be reached. It was recommended that alternative approaches be pursued, and the mediation was therefore not established. At present, the employee has not made any further claims or filed any lawsuits against the Company in this case. After evaluation, it has been determined that there is no significant impact on the Company's financial position or business operations. | | |
| 2026.01.16 | The Pingtung County Government, by official letter dated January 16, 2026 (Ref. No.: Ping-Fu-Lao-Dong-Zi No. 1150007256), notified the Company of a mediation application filed by Employee Gao regarding labor-management disputes, including wrongful termination. After mediation, both parties reached an agreement, and the case was concluded. After evaluation, it has been determined that there is no significant impact on the Company's financial position or business operations. | None | No material impact |

Response measure: The Company continuously improves and promotes its environmental management system, enhances pollution control equipment, and reduces impact on issues of the environment and air pollution, in order to ensure compliance with regulations and achieve environmental sustainability in our operations.

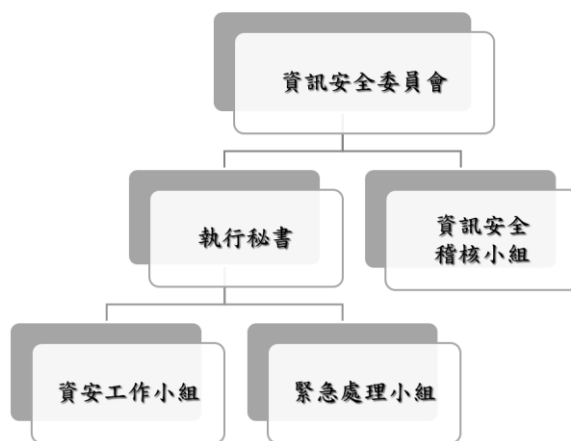
VI Information Security Management

(I) Information security risk management framework, information security policy, specific management measures, and resources invested in information security management.

1. Information Security Policy

The Company continuously strengthens the security and protection of data, information systems, equipment, and network communications through the implementation and improvement of processes, legal compliance, personnel training, and technological applications. This is done in accordance with the requirements of the ISO 27001 Information Security Management System. In addition to enhancing information security capabilities to effectively reduce risks such as theft, misuse, leakage, tampering, or destruction of information assets due to human error, intentional acts, or natural disasters, the Company also protects its assets, helps ensure compliance with international regulations regarding sensitive customer and employee information, reduces the risk of regulatory violations and penalties, and enhances the Company's reputation and competitiveness. This ensures the Company's commitment to shareholders and customers and supports the Company's goal of sustainable operation.

2. Information Security Organizations



| | |
|---------|------------------------------------|
| 資訊安全委員會 | Information Security Committee |
| 執行秘書 | Executive Secretary |
| 資訊安全 | Information Security |
| 稽核小組 | Audit Team |
| 資安工作小組 | Information Security Working Group |
| 緊急處理小組 | Emergency Response Team |

The Information Security Committee holds a management review meeting at least once a year, convened after the completion of the internal audit of the information security system. To ensure the appropriate and effective operation of the Company's information security system and quality management system, the management team conducts regular reviews of the information security system. They also track, review, and close out improvement measures, ensuring that each department effectively achieves information security objectives.

3. Information Security Management System

The Company's Information Security Management System (ISMS) follows the continuous improvement P.D.C.A. cycle management model established by the International Organization for Standardization (ISO). This approach integrates and strengthens the information security management system, establishing a structured, documented, and systematic management mechanism. Through continuous supervision and management reviews, the Company implements the principles of information security management and business continuity, ensuring the confidentiality, integrity, and availability of its information assets. This approach also ensures compliance with relevant laws and regulations, protecting against intentional or accidental threats from both internal and external sources. Additionally, it safeguards the rights and interests of the Company's employees and customers. The following information security goals are achieved:

- (1) Ensure that the Company's critical core systems maintain a certain level of system availability.

- (2) Protect the Company's business activity information, including information security and prototype protection, to prevent unauthorized access and modification, ensuring accuracy and integrity.
- (3) Conduct regular internal audits to ensure the effective implementation of relevant operations.
- (4) Conduct regular training sessions to promote employees' awareness of information security and strengthen their understanding of related responsibilities.

On May 23, 2023, the Company obtained ISO 27001:2013 certification and has renewed it after a three-year period. The certification is valid until October 31, 2025. On October 25, 2022, the official release of the revised ISO/IEC 27001:2022 standard was announced, extending the scope of information security to include cybersecurity and privacy protection. In May 2025, the Company obtained certification under the revised ISO 27001:2022 standard, aiming to strengthen organizational information security controls from multiple dimensions in response to the continuously evolving cybersecurity threats.

4. Effective Operation and Continuous Improvement of the Information Security Management System

The Company has obtained ISO 27001 information security management certification, applying the continuous improvement P.D.C.A. cycle management model to ensure the effectiveness of its management practices. Management mechanisms include:

- (1) Established comprehensive standards and clear operating procedures, enabling the information security management system to function in a structured and institutionalized manner.
- (2) Achieved timely and effective identification, protection, detection, response, and recovery through the application of various tools and technologies.
- (3) Established emergency response and disaster recovery procedures for information security incidents in order to quickly isolate and eliminate threats, thereby reducing both the scope and severity of their impact.
- (4) Conduct regular disaster recovery drills for critical application systems to ensure their effectiveness.
- (5) Hold regular employee information security training sessions to comprehensively enhance staff awareness of information security.
- (6) Conduct annual internal and external audits to review the entire management system, ensuring proper operation and continuous improvement.

5. Assessment of Information Security and Cyber Risk

Each year, the Company regularly reviews the information asset inventory and, based on internal and external information security issues, incidents, and audit results, conducts risk assessments. For high-risk items, after evaluation, appropriate

resources are allocated to improve or enhance control measures in order to reduce or eliminate the risks.

6. Information Security Education, Training, and Promotion

To enhance employees' awareness of information security protection, the Company has implemented an online learning (E-Learning) course on information security. Additionally, regular information security awareness content and case studies are shared with employees. Every year, the Company provides information security-related training courses for all employees and conducts periodic social engineering exercises. Through these exercises, the Company strengthens the organization's ability to resist online fraud.

7. Resources Invested in Information Security Management

To enhance its information security protection, the Company not only installs antivirus software for endpoint protection but also builds firewalls to defend against potential cybersecurity threats. To detect hacker intrusions, the Company has deployed advanced threat protection and implemented systems to monitor malicious network activities. Furthermore, in technical units with high information security risk, a two-factor authentication mechanism is implemented to reduce the risk of system account passwords being impersonated or stolen, thereby enhancing overall system security.

(II) For the past two fiscal years up to the date of the annual report publication, the Company has not incurred any losses, potential impacts, or required countermeasures due to major information and communication security incidents. Where reasonable estimation is not possible, it shall be stated accordingly: None.

VII Significant Contracts

Material contracts that remain valid and in effect as of the publication date of the annual report are listed as follows:

| Contract Type | Party Concerned | Contract Duration | Main Content | Restriction Clauses |
|------------------|------------------------------|-----------------------|---------------------------------|--|
| Land Lease | Hsiu-Chin Chang and 5 others | 2022/01/01~2026/12/31 | Provide employee parking | None |
| Credit agreement | Taiwan Cooperative Bank | 2021/06/29~2028/06/29 | Medium- to long-term borrowings | Mortgage loans |
| Credit agreement | Taiwan Cooperative Bank | 2015/02/12~2035/02/12 | Medium- to long-term borrowings | None |
| Credit agreement | Taiwan Cooperative Bank | 2021/03/15~2028/03/15 | Medium- to long-term borrowings | Mortgage loans – Investing in Taiwan Project |
| Credit agreement | Bank of Taiwan | 2023/08/16~2026/08/16 | Medium- to long-term borrowings | None |
| Credit agreement | Bank of Taiwan | 2021/06/29~2028/11/08 | Medium- to long-term borrowings | Mortgage loans – Investing in Taiwan Project |
| Credit agreement | Bank of Taiwan | 2021/06/30~2026/10/05 | Medium- to long-term borrowings | Mortgage loans – Investing in Taiwan Project |

| Contract Type | Party Concerned | Contract Duration | Main Content | Restriction Clauses |
|------------------|------------------------------------|-----------------------|---------------------------------|--|
| Credit agreement | Bank of Taiwan | 2025/12/15~2032/12/15 | Medium- to long-term borrowings | Mortgage loans |
| Credit agreement | Chang Hwa Bank | 2019/12/30~2040/03/10 | Medium- to long-term borrowings | Mortgage loans |
| Credit agreement | Chang Hwa Bank | 2020/12/25~2027/12/15 | Medium- to long-term borrowings | Mortgage loans – Investing in Taiwan Project |
| Credit agreement | Chang Hwa Bank | 2025/12/19~2032/12/19 | Medium- to long-term borrowings | Mortgage loans |
| Credit agreement | Hua Nan Commercial Bank | 2024/02/26~2027/02/26 | Medium- to long-term borrowings | None |
| Credit agreement | Far Eastern International Bank | 2025/09/03~2028/08/21 | Medium- to long-term borrowings | None |
| Credit agreement | Shanghai Commercial & Savings Bank | 2025/04/15~2028/04/15 | Medium- to long-term borrowings | None |
| Credit agreement | Yuanta Commercial Bank | 2024/02/05~2027/02/05 | Medium- to long-term borrowings | None |

E. Review and Analysis of Financial Position, Financial Performance, and Risk Factors

I Financial position:

Unit: NT\$ Thousands, %

| Items | Year | 2024 | 2025 | Difference | |
|---|------|------------|------------|-------------|---------|
| | | | | Amount | % |
| Current assets | | 9,329,628 | 10,436,980 | 1,107,352 | 11.87 |
| Property, plant, and equipment | | 7,819,404 | 7,384,725 | (434,679) | (5.56) |
| Intangible assets | | 8,253 | 27,643 | 19,390 | 234.94 |
| Other assets | | 362,259 | 373,268 | 11,009 | 3.04 |
| Total assets | | 17,519,544 | 18,222,616 | 703,072 | 4.01 |
| Current liabilities | | 3,416,754 | 4,564,483 | 1,147,729 | 33.59 |
| Long-term liabilities | | 4,260,544 | 4,772,798 | 512,254 | 12.02 |
| Other liabilities | | 26,908 | 106,154 | 79,246 | 294.51 |
| Total liabilities | | 7,704,206 | 9,443,435 | 1,739,229 | 22.58 |
| Share capital | | 2,377,841 | 2,307,821 | (70,020) | (2.94) |
| Capital surplus | | 2,559,546 | 2,416,881 | (142,665) | (5.57) |
| Retained earnings | | 4,980,922 | 4,555,877 | (425,045) | (8.53) |
| Other Equity Adjustment Items | | (102,971) | (546,405) | (443,434) | 430.64 |
| Total Equity | | 9,815,338 | 8,779,181 | (1,036,157) | (10.56) |
| <p>Analysis and explanation for items with changes exceeding 20% in the past two years and amounts reaching NT\$10 million or more:</p> <ol style="list-style-type: none"> 1. Increase in Intangible Assets: Primarily due to additions of computer software equipment 2. Increase in Current Liabilities: Mainly due to the increase in short-term borrowings arising from the execution and repurchase of treasury shares 3. Increase in Other Liabilities: Mainly due to the increase in non-current income tax payable 4. Increase in Total Liabilities: Mainly due to the increase in short-term borrowings arising from the execution and repurchase of treasury shares 5. Decrease in Other Equity Adjustment Items: Mainly due to the repurchase of treasury share | | | | | |

II Financial performance:

(I) Comparative Analysis of Operating Results:

Unit: NT\$ Thousands, %

| Items \ Year | 2024 | 2025 | Increased (Decreased) Amount | Percentage Change % |
|---|-------------|-------------|------------------------------|---------------------|
| Operating Revenue | 7,473,579 | 6,977,352 | (496,227) | (6.64) |
| Operating Costs | (5,469,886) | (5,493,253) | (23,367) | 0.43 |
| Gross Profit | 2,003,693 | 1,484,099 | (519,594) | (25.93) |
| Operating expenses | (1,025,835) | (920,910) | 104,925 | (10.23) |
| Operating Profit | 977,858 | 563,189 | (414,669) | (42.41) |
| Other Income | 67,516 | 52,694 | (14,822) | (21.95) |
| Other Gains and (Losses) | 55,115 | (79,509) | (134,624) | (244.26) |
| Finance Costs | (156,969) | (141,435) | 15,534 | (9.90) |
| Pre-tax Net Income from Continuing Operations | 943,520 | 394,939 | (548,581) | (58.14) |
| Income Tax (Expense) Benefit | (188,036) | (76,741) | 111,295 | (59.19) |
| Net profit after tax | 755,484 | 318,198 | (437,286) | (57.88) |
| Analysis and explanation for items with changes exceeding 20% in the past two years and amounts reaching NT\$10 million or more: | | | | |
| 1. Decrease in Gross Profit: Mainly due to increased costs arising from exchange rate fluctuations and changes in production volume | | | | |
| 2. Decrease in Operating Income: Due to exchange rate fluctuations and cost factors | | | | |
| 3. Decrease in Other Income: Mainly due to the reduction in government subsidies and other income | | | | |
| 4. Other Gains (Losses): Mainly due to exchange rate fluctuations | | | | |
| 5. Income Tax (Expense) Benefit: Mainly due to the decrease in profit before tax | | | | |
| 6. Decrease in After-Tax Net Income: Mainly due to increased costs arising from exchange rate fluctuations and changes in production volume | | | | |

(II) Explanation of Gross Profit Increase:

1. Selling Price Variance: Due to exchange rate fluctuations
2. Cost Price Variance: Mainly due to reduced production volume leading to higher costs

(III) Expected sales volume and its basis, possible impact on the Company's future financial and business performance, and response plan:

It is expected that future customer demand for forged aluminum wheels and recycled aluminum will increase, with new orders continuing to be placed. The Company is actively planning new plant capacity to meet future delivery needs. The main funding sources for this expansion are operational funds and bank loans, and therefore, it will have no impact on financial operations.

III Cash flows:

(I) Analysis of recent annual cash flow changes: Liquidity analysis for the past two years:

Unit: NT\$ Thousands, %

| Items | Year | | Increased (Decreased) Amount | Increase (Decrease) % |
|--|-----------|-----------|------------------------------|-----------------------|
| | 2024 | 2025 | | |
| Business Activities | 1,869,316 | 1,092,886 | (776,430) | (41.54) |
| Investment Activities | (503,162) | (363,703) | (139,459) | (27.72) |
| Fundraising Activities | (448,677) | 336,711 | 785,388 | 175.05 |
| Net Cash Inflow (Outflow) | 916,441 | 1,059,053 | 142,612 | 15.56 |
| Explanation for items with significant changes: | | | | |
| 1. Decrease in operating activities: Mainly due to reduced revenue and profit and increased inventory. | | | | |
| 2. Decrease in investing activities: Mainly due to reduced purchases of machinery and equipment. | | | | |
| 3. Increase in financing activities: Mainly due to higher long-term and short-term borrowings. | | | | |

(II) Changes in Cash Flow for 2026:

Unit: NT\$ Thousands

| Beginning cash balance | Net cash flow from operating activities for the year | Net cash flow from financing and investing activities for the year | Ending cash balance | Remedial measures for cash shortfall | |
|--|--|--|---------------------|--------------------------------------|--------------------|
| | | | | Investment Planning | Financial Planning |
| 3,212,539 | 1,647,871 | (2,198,327) | 2,662,083 | - | - |
| 1. Changes in Cash Flow for 2026: | | | | | |
| (1) Net cash inflow from operating activities: Generated by net profit. | | | | | |
| (2) Net cash outflow from financing activities: Mainly due to loan repayments, cash dividend payments, and cash capital reduction. | | | | | |
| (3) Net cash outflow from investing activities: Mainly due to machinery and equipment purchases for replacement and process bottleneck improvements. | | | | | |
| 2. Planned remedial measures for cash shortfall and liquidity analysis: None. | | | | | |

IV Impact of recent annual capital expenditures on financial and business operations:

In 2025, aside from the capital expenditure plan of NT\$336,812 thousand for additional automated machinery, there were no other significant capital expenditures.

V Recent annual investment policy, reasons for profit or loss, improvement plan, and investment plan for the coming year:

Unit: NT\$ Thousands

| Investee Company | Net profit after tax for this period | Investment Policy | Main reasons for profit or loss | Improvement Plan | Investment plan for the coming year |
|------------------|--------------------------------------|---|---------------------------------|--|-------------------------------------|
| SAMF. | (24,591) | Due to services offered to European customers at the coating plant. | Increase in operating costs. | Continuous process optimization to reduce costs. | None |
| Jia Yi Co., Ltd. | 46 | Increase smelting supply. | Under construction | - | Completion of factory construction. |

VI Risk factors should be analyzed and assessed for the most recent fiscal year and up to the date of publication of the annual report.

(I) Impact of interest rate, exchange rate fluctuations, and inflation on company profit and loss, and future countermeasures:

(1) Interest Rate Changes:

| Unit: NT\$ Thousands | | |
|--|-----------|-----------|
| Items | 2024 | 2025 |
| Interest expense | 156,969 | 141,435 |
| Net operating revenue | 7,473,579 | 6,977,352 |
| Interest Expenses as a Percentage of Net Operating revenue (%) | 2.10 | 2.03 |

In 2024 and 2025, the Company's interest expenses accounted for 2.10% and 2.03% of net operating revenue, respectively. These financing interest expenses mainly arose from borrowings from financial institutions to meet operational needs and capital expenditures. Although market interest rates fluctuated, they did not have a materially adverse impact on the Company's revenue and profitability.

Response Measures

The Company continuously monitors and analyzes the impact of financial market interest rate fluctuations on cash flows generated by all interest-bearing liabilities, maintains good relationships with banks, and adjusts fixed or floating borrowings in a timely manner to reduce the risk of rising funding costs caused by interest rate changes.

(2) Exchange Rate Changes:

| Unit: NT\$ Thousands | | |
|--|-----------|-----------|
| Items | 2024 | 2025 |
| Foreign Exchange Gains | 59,695 | (88,944) |
| Net operating revenue | 7,473,579 | 6,977,352 |
| Exchange Gain or Loss as a Percentage of Net Operating revenue (%) | 0.80 | (1.27) |

The Company's exports are mainly denominated in U.S. dollars, Japanese yen, and euros, while imports are primarily denominated in U.S. dollars and New Taiwan dollars. Some foreign currency receivables and payables can be offset against each other, producing partial hedging effects. However, foreign currency net asset positions still generate exchange gains or losses, so exchange rate fluctuations continue to have a certain degree of impact on the Company's profitability.

Response Measures

Pay close attention to the trends of major international currencies and changes in global situations driven by non-economic factors to anticipate exchange rate movements and respond in a timely manner. At the same time, during the product quotation process, consider risks arising from exchange rate fluctuations and adjust prices when appropriate to secure expected profits. Also, adjust foreign currency assets and liabilities in a timely manner to reduce risks caused by exchange rate changes.

According to the Regulations Governing the Acquisition and Disposal of Assets, regarding derivative financial instruments, the Company engages in transactions, risk management, and supervisory operations. Depending on exchange rate fluctuations, the Company undertakes hedging transactions of derivative financial instruments at appropriate times to mitigate foreign exchange risks arising from business operations.

(3) Impact of inflation and future countermeasures:

The Company has not experienced any significant impact on its profit and loss due to inflation in the past. Along with its subsidiaries, the Company maintains close and good interactions with suppliers and customers, and will closely monitor changes in the global market to keep an eye on any risks of inflation. We also aim to timely reflect cost changes in the selling price to reduce the impact of inflation.

2. The main reasons for the policy, profits or losses from engaging in high-risk, high-leverage investments, lending funds to others, providing endorsements and guarantees, and derivative trading in the most recent annual report and as of the printing date, as well as future response measures:

The Company has always adhered to the principles of focusing on its core business and being pragmatic in its operations. The financial policy is based on a prudent and conservative approach, and the company does not engage in high-risk, high-leverage investment activities. It has established operational procedures such as the Procedures for Lending of Funds to Others, Procedures for Making of Endorsements/Guarantees, and Regulations Governing the Acquisition and Disposal of Assets as guidelines for the Group to follow in related transactions. Currently, the lending of funds to others and endorsements and guarantees are only conducted within the companies included in the consolidated financial statements, and are handled in accordance with the aforementioned policies and response measures. Additionally, when the Company engages in derivative financial product transactions, it aims to hedge against foreign exchange price fluctuation risks and follows the Company's Regulations Governing the Acquisition and Disposal of Assets.

- (II) The main reasons for the policy, profits or losses from engaging in high-risk, high-leverage investments, lending funds to others, providing endorsements and guarantees, and derivative trading, as well as future response measures:

All of the above are handled in accordance with the procedures established and approved by the Board of Directors. The Company has strict internal controls in place and a dedicated audit department that regularly inspects the operating procedures of the relevant departments.

- (III) Future research and development plans and the estimated R&D expenses to be invested:

(1) Future development plans:

- A. Optimization of aluminum material quality and process improvement to enhance yield
- B. Development of multi-spindle machining equipment
- C. Development of multi-piece wheel rim products
- D. Development of dual-core forming process method
- E. Development of vacuum pump rotor technology for semiconductor equipment components

F. Development of pendulum valve body technology for semiconductor equipment components

(2) Planned R&D expenses of the Company:

R&D expenses of the Company in 2024 and 2025 were NT\$151,096 thousand and NT\$153,353 thousand, accounting for 2.02% and 2.20% of operating revenue, respectively. Future R&D expenses are expected to be budgeted according to the R&D work plan, in line with business growth and expansion, to optimize the Company's process technology and enhance production capacity, thereby maintaining competitiveness and sustaining operational growth momentum.

(IV) Impact of major domestic and foreign policies and legal changes on the Company's financial and business operations, as well as corresponding measures:

The Company and its subsidiaries closely monitor major domestic and foreign policy and legal changes that may affect financial and business operations, and continuously collect relevant information to provide management with references for decision-making. In the most recent fiscal year and up to the date of publication of the annual report, relevant policy and legal changes have not had a material impact on the financial or business operations of the Company and its subsidiaries.

(V) Impact of technological changes (including information security risks) and industry developments on the Company's financial and business operations and corresponding measures:

The Company continuously monitors technological changes and developments in its industry, and through close collaboration with customers, we keep track of the latest industry trends and market information. We also gather relevant information on technological changes and trends in the industry at all times, providing decision-making references for the management team to adjust operational strategies and formulate response measures. The Company also emphasizes the implementation of information security risk management. For more details, please refer to the section "II.1.(6) Information Security Management" in this year's annual report. As of the most recent annual report and printing date, technological changes have had no significant impact on the Company's financial business.

(VI) The impact of changes in corporate image on crisis management and the corresponding response measures:

The Company upholds the principles of integrity and sustainable operation. Since its establishment, it has focused on its core business, maintaining a good corporate image, complying with relevant laws and regulations, and preserving an excellent corporate image. As of the most recent annual report and printing date, there have been no changes in the corporate image that have caused any issues in crisis management.

(VII) Expected Benefits, Potential Risks, and Response Measures of Mergers and Acquisitions:

The Company has no plans for mergers or acquisitions in the most recent fiscal year and up to the date of publication of the annual report.

(VIII) Expected Benefits, Potential Risks, and Response Measures of Plant Expansion:

1. In January, 2026, the Company purchased land and buildings from the Chiayi District Court for a total of NT\$1.23 billion.

Reason: Waste treatment industry: Material sorting and solar panel frame processing

Target: Obtain and complete the plant usage license and material sorting equipment by 2027, and begin trial production and mass production in 2028.

Expected benefits: Starting from 2028, operating revenue is approximately NT\$1,660,258 thousand. In 2029, it is expected to grow by 100%. By 2030, the average operating revenue is expected to reach NT\$5,328,575 thousand, with operating profit expected to be around 11-15% starting from 2029.

Potential risks and response measures:

1. The company only conducts physical disassembly and sorting, without involving chemical smelting, and therefore does not require a high-threshold environmental impact assessment. Additionally, the crushing process is carried out within a closed duct system, eliminating concerns about dust dispersion and noise pollution. The current regulatory challenge mainly lies in the administrative process of the D-2528 procedure, particularly in land classification and outdoor temporary storage regulations. Industrial zones already comply with the relevant land use classifications, so there is no impact. However, the Company must meet the Department of Environmental Protection's requirements for outdoor temporary storage, including "rain cover, anti-permeability, and no contact with soil," and must complete the compliance declaration within the statutory disposal deadline of one month. The waste treatment industry might be supported in moving toward a green and sustainable supply chain through material sorting and frame processing.
2. The Group's German subsidiary, SuperAlloy Manufaktur GmbH, entered into a land purchase agreement with the German municipal authority in February 2026, at a purchase price of EUR 480 thousand for a plot of 10,000 square meters.
The intended use is for the construction of a warehouse to integrate European land-based storage management, reducing warehouse rental costs by approximately EUR 233,000. Additionally, the roof will be used for solar power generation to lower energy costs.

(IX) Risks and countermeasures regarding concentration of purchases or sales:

(1)Purchase concentration risk

The main raw material for the Company's forged aluminum wheels is aluminum alloy bars. In 2025, 66% of purchases were sourced from VB Company, a subsidiary of Group B. The risks and countermeasures faced in relation to purchase concentration are as follows:

- A. Maintain a list of at least two qualified suppliers for the same material

Considering the lengthy certification process for forged aluminum rims and materials, as well as the need to reduce storage management costs, the Company prioritizes the use of aluminum alloy rods produced by a subsidiary of Group B in

its strategy. Alternative sources are only sought when materials are insufficient, leading to a concentrated procurement situation. The Company has also established a list of more than two qualified suppliers that have passed internal laboratory certification. In the event that Group B's subsidiary fails to supply on time or interrupts the supply, the Company can appropriately shorten the verification time for requesting aluminum material replacements from customers, and multiple alternative suppliers are available for contact to ensure supply.

B. Already in mass production of recycled aluminum bars

The Company has mastered the ability to melt qualified recycled aluminum rods in-house. Since the material source is flexible, if the recycled aluminum material recovered in the factory is insufficient, the Company can purchase from other aluminum metal processors or material suppliers. Currently, the Company's stock of recycled aluminum rods is sufficient, and as customers gradually certify and adopt a higher proportion of recycled materials, the supply will increase. In the event of a shortage in supply from Group B's subsidiary, it is unlikely to cause a complete production halt in the short term.

In summary, the measures taken by the company in response to the concentration of purchases of aluminum alloy rods ensure the availability of multiple raw material sources, which should effectively reduce the risks that may arise from purchase concentration.

(2) Sales concentration risk

The Company's current wheel products are primarily supplied to major automotive manufacturers in North America, Europe, and Asia. In the future, the Company will fully leverage its geographical advantages to gradually expand its business. It has business relationships with the vast majority of luxury car brands, and there is no risk of over-reliance on a single customer or excessive concentration of customers.

(X) Impact, risks, and countermeasures of significant share transfers or changes by directors, supervisors, or major shareholders holding more than ten percent of shares:

As of the most recent annual report and printing date, there have been no significant changes in the ownership structure, such as large-scale transfer of shares or changes in major shareholders holding more than 10% of the shares, that have had a major impact on the Company.

(XI) Impact, risks, and countermeasures of changes in management control on the Company:

In the most recent fiscal year and up to the date of publication of the annual report, there has been no change in management control of the Company.

(XII) Litigation or Non-litigation Events

1. The Company has not had any lawsuits, non-litigation, or administrative disputes in the past two years or as of the printing date of this annual report, the outcomes of which could significantly affect shareholder equity or securities prices. If any such cases exist, the relevant facts, subject amount, lawsuit start date, main parties involved, and current status should be disclosed.

- (1) The Company is involved in a litigation case with ATE Logistics Co., Ltd. arising from a carriage contract.

ATE Logistics Co., Ltd. (ATE Logistics) has signed a transportation contract with the company, whereby ATE Logistics is responsible for transporting the Company's processed and manufactured parts from Taiwan to the Americas. Upon reviewing the freight cost burden, the Company found that ATE Logistics had overcharged a total of US\$775,085 (approximately NT\$23,253,000) in shipping fees. The Company has therefore requested ATE Logistics to return the unjust enrichment. According to the civil judgment of the Taipei District Court in Taiwan, it was determined that both parties had agreed on the amount of the shipping fees listed in ATE Logistics' invoice before the Company made any payments for the shipping costs. Therefore, the Company's claim that ATE Logistics overcharged for shipping fees is not substantiated. The Company's request for ATE Logistics to pay US\$775,085 plus interest is deemed unfounded and should be dismissed. The case has been appealed by the company to the High Court and is currently still under review in the second instance.

- (2) The arbitration case arising from a commission and compensation dispute between the Company and the German company LCTec GmbH.

The German company LCTec GmbH is the Company's business representative for the European region, and both parties have signed a business representative contract. LCTec GmbH provides sales management, marketing, technical support, and customer contact services for the client list specified in the contract. In return, the Company compensates them with employment fees and sales commissions. The contract between the Company and LCTec was terminated in August 2018 and was not renewed. LCTec claims that according to the contract, the Company should continue to pay commissions for the products they represented during the contract period after production has begun, as well as compensation equivalent to one year's commission, in accordance with Section 89b of the German Commercial Code (HGB). The Company denies this claim. LCTec subsequently filed the following arbitration case with the German Arbitration Institute:

- A. Arbitration request No. 1 (Case No. DIS-SV-2019-00173)

In February 2019, LCTec filed for arbitration with the German Arbitration Institution (DIS), requesting the Company to provide the commission reports for the period from July to October 2018 and to pay the corresponding commissions along with interest (the base rate plus an annual interest rate of 9%). The Company lost this arbitration case and has fully settled the payment in accordance with the arbitral award.

- B. Arbitration requests No. 2 and No. 3 (Case No. DIS-SV-2021-00594) (c. DIS-SV-2021-00595)

In December 2021, LCTec filed two arbitration requests with DIS, asking the Company to provide commission reports for the period from November 2018 to November 2021 and to pay the corresponding commissions along with interest (the base rate plus an annual interest rate of 9%). Additionally,

LCTec requested compensation equivalent to one year's commission. Since the factual basis of the two arbitration cases is the same, both parties agreed to have them consolidated and heard in a single proceeding. The Company has already recognized and recorded the potential risks arising from the two arbitration cases in accordance with IAS 37 provisions on contingent liabilities, based on the likelihood of occurrence and estimated amounts.

In September 2024, the Group received the arbitration results, which determined that the Group should provide the relevant commission reports as agreed, pay the commissions and interest to LCTec based on the reports, and compensate the business representative with EUR 1,343,000 along with interest. In accordance with the judgment, the Group paid the related business representative compensation and interest amounting to NT\$74,154,000 in September 2024, which was recorded under other losses and financial costs. In October 2024, the Group submitted the commission reports as agreed and paid a commission of EUR 1,993,000 (NT\$69,143,000). As of December 31, 2024, the commission reports submitted by the Group are still awaiting confirmation of the payment amount from LCTec. However, the interest on the related commissions has been estimated based on the base rate stipulated in Section 247 of the German Commercial Law. The Group has already made the full payment as agreed on August 1, 2025.

2. For the Company's directors, supervisors, general manager, actual responsible person, major shareholders holding more than 10% of shares, and subsidiaries, there have been no confirmed or ongoing lawsuits, non-litigation, or administrative disputes in the past two years or as of the printing date of this annual report, the outcomes of which could significantly affect the Company's shareholder equity or securities prices.
3. For the Company's directors, supervisors, managers, and major shareholders holding more than 10% of shares, there have been no incidents in the past two years or as of the printing date of this annual report that fall under the provisions of Article 157 of the Securities and Exchange Act, and the Company is currently not handling any such matters.

(XIII) Other significant risks and countermeasures: None.

VII Other significant matters: None.

F. Special Notes

I Information on affiliates

(I) Consolidated Business Report of affiliates

1. Organizational chart of affiliates:



2. Basic Information on affiliates:

Unit: NT\$ Thousands

| Company Name | Date of Establishment | Address | Paid-in Capital | Main business activities |
|-----------------------------|-----------------------|---|-----------------|---|
| SuperAlloy Manufaktur GmbH. | 2014.08.13 | Hauptstraße 19 72290 Loßburg | 9,109 | Manufacture of various types of wheel rims and automotive accessories |
| Jia Yi Co., Ltd. | 2025.04.28 | 1F, No. 80, Sec. 3, Yunke Rd., Douliu City, Yunlin County | 300,000 | Aluminum Casting |

3. Presumed shareholders with control and subordinate relationships: None.

4. Industries covered by the affiliates' business operations:

Wholesale of automotive and motorcycle parts, aircraft equipment, metal materials (excluding precious metals), plastic products, commission agency (excluding auctions), and import/export business, as well as providing related installation and after-sales services (excluding goods managed by state-owned trade regulations, and for goods involving quota or license management, applications will be handled in accordance with relevant national regulations).

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

| Company Name | Position | Name | Number of Shares | Shareholding Proportion |
|-----------------------------|-----------|---|------------------|-------------------------|
| SuperAlloy Manufaktur GmbH. | President | Kuan-Pin Huang | - | 100% |
| Jia Yi Co., Ltd. | Chairman | Representative of SUPERALLOY INDUSTRIAL CO., LTD.: Tsung-Jung Huang | 25,500,000 | 85% |
| | Director | Representative of SUPERALLOY INDUSTRIAL CO., LTD.: Kuan-Pin Huang | | |
| | Director | Representative of SUPERALLOY INDUSTRIAL CO., LTD.: Ching-Shun Lin | | |
| | Director | Representative of SUPERALLOY INDUSTRIAL CO., LTD.: Hsueh-Cheng Liao | | |
| | Director | Representative of Must Metal Corp.: Ching-Lung Wang | 3,000,000 | 10% |

| Company Name | Position | Name | Number of Shares | Shareholding Proportion |
|--------------|------------|--------------|------------------|-------------------------|
| | Supervisor | Hui-Fei Wang | - | - |

6. Operating Overview of affiliates in 2025:

Unit: NT\$ Thousands

| Company Name | Paid-in Capital | Total Assets | Total Liabilities | Net Worth | Operating Revenue | Operating Profit | Current Period Profit (Loss) | Earnings per Share |
|-----------------------------|-----------------|--------------|-------------------|-----------|-------------------|------------------|------------------------------|--------------------|
| SuperAlloy Manufaktur GmbH. | 9,109 | 440,216 | 408,104 | 32,112 | 382,102 | (46,740) | (24,591) | N/A |
| Jia Yi Co., Ltd. | 300,000 | 606,568 | 306,522 | 300,046 | 0 | (2,387) | 46 | - |

Note 1: Balance sheet items are translated at the year-end exchange rate (EUR 1:NT\$36.9)

Note 2: Income statement items are translated at the weighted average exchange rate (EUR 1:NT\$35.1782)

(II) Affiliates Declaration

SUPERALLOY INDUSTRIAL CO., LTD.

Declaration of Consolidated Financial Statements of affiliates

For the fiscal year 2025 (from January 1, 2025, to December 31, 2025), the companies that should be included in the preparation of the consolidated financial statements for related enterprises, in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, are the same as those that should be included in the preparation of the consolidated financial statements for parent and subsidiary companies in accordance with International Accounting Standards No. 27. Furthermore, the relevant information required to be disclosed in the consolidated financial statements for related enterprises has already been disclosed in the aforementioned parent and subsidiary consolidated financial statements. Therefore, there is no need to separately prepare the consolidated financial statements for related enterprises.

This declaration is hereby made.

Name of Company: SUPERALLOY INDUSTRIAL CO., LTD.

Responsible Person: Tsung-Jung Huang

March 2, 2026

(III) Affiliates' report: Not applicable.

- II Private placement of securities in the most recent fiscal year and up to the date of the annual report publication: None.
- III There have been no matters occurring in the most recent fiscal year and up until the date of the printing of the annual report that, under the provisions of Article 33, Paragraph 2 of the Securities and Exchange Act, have had a material impact on shareholders' equity or the securities price.
- IV Additional necessary explanatory notes: None.

Issuing Company: SUPERALLOY INDUSTRIAL CO., LTD.

Responsible Person: Tsung-Jung Huang