Stock Code: 5011

OFCO INDUSTRIAL CORP.
久陽精密股份有限公司

2025
Annual Report

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Company website for annual report query: http://www.ofco.com.tw

I. Name, job title and contact number of spokesperson and deputy spokesperson

Spokesperson	Name	James Huang
	Title	Chairman
	Tel	(07) 3966999
	Email	jameshuang@ofco.com.tw
Deputy spokesperson	Name	Wang, Mei-Yu
	Title	Vice president of finance
	Tel	(07) 3966999
	Email	mei-yu@ofco.com.tw

II. Company and factory locations

Company registration	Address: 25F-3, No. 502, Jiuru 1st Road, Sanmin District, Kaohsiung City Tel: (07)3966999
Qiaotou Factory	Address: No. 299, Yulin Road, Qiaotou District, Kaohsiung City Tel: (07)6125899

III. Institutions handling stock transfers

Stock transfer institution	Capital Securities Corporation
Address	B2, No. 97, Section 2, Dunhua South Road, Da'an District, Taipei City
Tel	(02) 27035000
Website	www.capital.com.tw

IV. Concurring CPA for annual financial report in latest year

Accounting firm	PwC Taiwan
CPA Name	Certified Public Accountant Tian Chung-Yu, Certified Public Accountant Hsu Hui-Yu
Address	12F, No. 395, Linsen Road Section 1, Tainan City
Tel	(06) 2343111
Website	www.pwc.com/tw

V. Name of trading venue where overseas securities are listed and traded and the name of overseas listed companies, and method of inquiring overseas securities: None

VI. Company website: http://www.ofco.com.tw

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One. Report for Shareholders

Over the past few years, the Taiwanese fastener industry has encountered an unprecedented economic slump, with profits dwindling year by year. In 2025, the US tariff war forced screw manufacturers to bear increased Cost, reduced Margin, and losses for some operators, who sadly back-out of the market.

In early 2025, Trump was re-elected as U.S. President, ushering in an era of US-China trade war 2.0 and a global tariff war. In March, he imposed a 25% steel and aluminum taxation on all countries, including Taiwan. By June 2025, Trump increased these steel and aluminum tariffs to 50%, having a material impact on Taiwanese steel fastener exporters. The USD to NTD exchange rate rose sharply and significantly in early May, increasing by as much as 9%. This rapid appreciation has resulted in substantial exchange losses for many of Taiwan's export-oriented fastener manufacturers.

According to the statistics of the Screw Association, the fastener export volume dropped to 91,500 tons in October 2025, a new low for both the year and the lowest single-month figure in nearly 12 years. Cumulative exports for the first ten months of the year totaled 1.047 million tons, down 1.84% year-over-year. The average export unit price of screws for the first ten months was US$3.51 per kilogram, a decrease of 0.07% compared to the previous year. Overall, domestic screw exports have shown a declining trend in both price and volume.

The Company's operating priorities in 2025: (I) The Business segment actively and flexibly adjusted its order acceptance strategy in response to the decrease in orders. (II)Cooperate with related Entities via the OEM model to increase production capacity and revenue.

In January 2026, the International Monetary Fund (IMF) released an updated “World Economic Outlook” report, revising upwards its 2026 global economic outlook. This improvement stemmed from companies having already adapted to high U.S. taxation by shifting supply chains, lower tariff levels achieved through trade agreements, and a surge in Investment in artificial intelligence (AI) that boosted the Asset market. However, the IMF also warned that an AI bubble burst or a resurgence of geopolitical and trade conflicts still poses a Risk to the global economic outlook.

At the beginning of 2026, the Government and the United States reached an agreement to set tariffs at 15% without cumulative application. However, the Taiwanese fastener industry will remain subject to Section 232 Provision, with tariffs staying at 50%. While the tariff impact is unlikely to be resolved in the short term, the reduction in overall policy uncertainty is a positive signal for the steel market. At the end of February, the US-Iran conflict broke out, causing market turmoil. If the war did not wind-up, global energy prices and inflation pressure rose, potentially dragging down downstream industries such as automobiles and real estate, and the steel market still faced a Risk of declining demand.

Starting in 2019, the Company commenced diversifying its investment and gradually deploying renewable energy and circular economy businesses. The industries in which the Company has invested include marine and land transportation, recycled materials, waste treatment business, incinerator agency operations, and solar energy business. The Company has expanded its operations in many aspects to enhance its operational competitiveness and profitability.

In early 2025, an extraordinary general meeting of Shareholders approved the leasing of the Company’s plant and equipment to Chunyu. The two parties established a division of labor in production and sales, with the Company handling orders and Chunyu consolidating production. This expansion of production scale aimed to reduce Cost and increase profits for both parties.

I. Two major business strategies are formulated for 2026: (I) Continue to expand order intake in Europe and further develop the customer base. (II) Development of new businesses, review of existing Investment, adjustment based on future operational objective, and planning of the

Company’s future transformation direction.

Despite strong economic growth in Taiwan, industrial polarization has become increasingly pronounced. The semiconductor industry has flourished, while traditional industries have faced considerable difficulties. In addition to reciprocal tariffs, another reason for the poor performance of Taiwan's traditional industries is that Chinese products have been resold to other countries to avoid high U.S. tariffs, creating direct competition with many Taiwanese products. AI-related merchandise became a mainstay of Taiwan’s exports starting in 2024, and in 2025 effectively boosted Investment, becoming a major driver of the Taiwan economy. The Company recognized the future trend of the economy and, in early 2026, decided to invest in the semiconductor-related component industry. This investment is expected to effectively improve investment profits and Shareholders' equity.

To cope with the change in the external environment, the management team flexibly adjusts the operational strategies in order to overcome bottlenecks and difficult situations while re-establishing the corporate culture of commitment, professionalism, and discipline. We expect to achieve outstanding business performance and the goals for 2026 rigorously and optimistically.

The 2025 business results and the 2026 operating plan report are as follows:

I. 2025 Business Result

(I) Business plan implementation outcomes:

For 2025, the Company’s consolidated operating revenue amounted to NT$5,062,034 thousand (hereinafter the same), representing an increase of NT$926,112 thousand, or 22.39%, compared with NT$4,135,922 thousand in 2024. The increase was mainly attributable to significant growth in the operating performance of subsidiaries. The Company recorded a gross loss of NT$165,231 thousand, compared with a gross loss of NT$141,071 thousand in 2024, representing an increase in gross loss of NT$24,160 thousand. Net loss after tax attributable to the parent for 2025 was NT$161,982 thousand, an increase of NT$125,970 thousand compared with 2024. Loss per share after tax was NT$1.61.

(II) Budget implementation situation: Not applicable.

(III) Financial income and expenditure analysis

Unit: NT$ thousand

Period / Item	2025 Amount	2025 %	2024 Amount	2024 %	Growth Amount	Growth %
Operating revenue	5,062,034	100.00%	4,135,922	100.00%	926,112	22.39%
Gross profit	-165,231	-3.26%	-141,071	-3.41%	-24,160	17.13%
Operating Cost	197,362	3.90%	173,642	4.20%	23,720	13.66%
Net operating loss	-362,593	-7.16%	-314,713	-7.61%	-47,880	15.21%
Net non-operating expense	-210,145	-4.15%	113,859	2.75%	-324,004	-284.57%
Net loss before tax	-572,738	-11.31%	-200,854	-4.86%	-371,884	185.15%
Income tax gain	154,743	3.06%	74,896	1.81%	79,847	106.61%
Net loss after tax	-417,995	-8.26%	-125,958	-3.05%	-292,037	231.85%
Net income attributable to parent company	-161,982	-3.20%	-36,012	-0.87%	-125,970	349.80%
Earnings per share	-1.61		-0.36		-1.25	

(IV) Profitability analysis:

Item	2025	2024	Notes
Return on assets	-6.68%	-1.59%	
Return on shareholders' equity	-17.67%	-4.83%	
Operating income (loss)	-36.02%	-31.26%	Ratio to paid-in capital
Net profit before tax	-56.89%	-19.95%	Ratio to paid-in capital
Net profit margin	-8.26%	-3.05%	
Earnings per share (NT$)	-1.61	-0.36	

(V) Status of Research and Development: Due to the pandemic, Research and Development was suspended starting in 2020. From March 2025, plant facilities have been leased, and shipments are now made by purchasing finished screw products. Further Development is currently on hold.

II. Summary of business plan for 2026:

(I) Business policy:

1. The factory and machinery equipment have been leased to Chunyu since March 2025 to create resource sharing. In the future, we will adopt a cooperation model of order acceptance and production division with Chunyu to integrate production and sales to enhance the interests of both parties.
2. From March 2024, the Sale method changed to purchased finished screws, reducing inventory holding costs and labor waste.
3. There has been no sign of the end of the Russia-Ukraine war, and the huge reconstruction business opportunities following the conflict have not yet materialized. The Company commenced planning for industrial transformation in the second half of 2025.

(II) Expected sales volume in 2026 and its basis

1. The Company's projected sales volume for 2026 is as follows.

Product name	Sales volume	Unit
Screws	7,400	Tons
Others	0	Tons

2. The Company's projected sales volume is based on the industrial environment and market supply and demand conditions, and considers its own business Development. According to the latest report issued by World Steel Association in October 2025, 2025 was the bottoming-out year for global steel demand. Demand remained flat at 1.749 billion tons, and then rose by 1.3% to 1.772 billion tons in 2026. Global demand is expected to increase by about 1.3% in 2026, a rise of approximately 23.3 million tons from 2025. This momentum stems from a slowing rate of decline in China, the resumption of growth in Europe, and continued strength in developing countries. ASEAN has maintained strong growth momentum, with an estimated rate of 3- -4% between 2025 and 2026. India experienced growth of around 9% for two consecutive years. The EU estimated growth of 1.3% in 2025 and projects a stronger growth momentum of 3.2% in 2026. Demand in the U.S. increased by 1.8% in both 2025 and 2026. In contrast, demand momentum in Japan and South Korea remained weak, and their recovery may be deferred.

   The International Monetary Fund (IMF) released its latest World Economic Outlook report in April 2026, projecting Taiwan's economic growth rate to exceed 5% this year, ranking it among the highest-grossing advanced economies recognized by the IMF. However, the IMF also lowered its global economic growth forecast for this year to 3.1%, a 0.2 percentage point reduction from its January forecast of 3.3%. The IMF warned that the US-Iran conflict could impact the oil market, potentially fueling inflation and leading to a global recession.In the first half of 2025, Taiwan's fastener industry faced a triple impact of currency appreciation, tariff pressure, and electricity price increases. The export-oriented screw industry was particularly affected by US-China trade policy, experiencing a sharp decline in orders and a sudden drop in margin. The strong NT$ and the slump in the steel market led to losses and difficulties in obtaining orders for the screw industry. The closure of the old factory in Guanyin District and supply chain adjustments caused tremors in the industry. In the second half of the year, Taiwan faced a material challenge from US Section 232 taxation of a 50% tariff, putting fastener manufacturers under pressure, leading to a plummet in orders and even a wave of factory closures. Taiwan's screw exports dropped to 91,500 tons in October, the lowest level in 12 years. Cumulative screw exports for the first

10 months totaled 1.047 million tons, down 1.84% year-on-year.

(III) Major production and sales policies:

1. Business sales strategy

(1) Improve after-sales service.

2. Production and shipping strategy

(1) Beginning in March 2025, the Company shipped purchased finished screws to actively reduce inventory.

(2) Quality improvement: Strict quality control enforces inspections at various inspection points to improve shipment quality.

III. Future company development strategy:

1. Suspend in-house screw manufacturing and actively pursue industrial transformation.
2. Optimize and integrate company resources to create win-win situations.
3. From March 2025, plant equipment will be leased to Chunyu Factory, and the two parties will consolidate production to reduce Cost.
4. In February 2026, the company invested in a semiconductor parts factory, embarking on a path of industrial transformation

IV. Impacts from external competitive environment, regulatory environment and overall business environment:

1. External competitive environment: As Southeast Asia (such as Vietnam and Thailand) and Mainland China possess advantages of cheaper labor and raw materials, it may seem hard for the Taiwan screw industry to compete with them on the outside, but this is not the case in fact. There are risks in setting up factories overseas, but the overall efficiency cannot be compared to that in Taiwan. Steel material costs and quality are the biggest key factors impacting the competitiveness of the screw industry, so finding a competitive source of materials remains the most important direction.
2. Regulatory environment: The Government has formulated the "Taiwan Overall Decarbonization Action Plan" to implement President Lai's "National Project of Hope," which outlines the "green growth and 2050 net-zero transition" strategy. This plan aims to align with international efforts to achieve Nationally Determined Contributions (NDC) targets and pragmatically reach the 2050 net-zero target. However, the direct costs of a "carbon fee/carbon tax," "Capital expenditure" for technology transformation and upgrading, and "operating cost" for carbon reduction actions must be borne by the entity. Taiwan's carbon fee officially began on January 1, 2025 (payment in May 2026 covers the entire year of emissions for 2025). It is levied on major electricity and gas suppliers and manufacturers (approximately 281 companies and 500 factories) with annual emissions exceeding 25,000 metric tons, and is expected to become a major cost for the manufacturing industry.

   The EU's Carbon Border Adjustment Mechanism (CBAM) will be officially implemented in January 2026, and will initially cover industries such as steel, cement, aluminum, fertilizer, electricity, and hydrogen. Taiwan's steel industry will be most affected.
3. Overall business environment: In its latest "World Economic Outlook" released in January 2026, the IMF raised its 2026 global economic growth forecast to 3.3%, an increase of 0.2 percentage points from the 3.1% forecast in October of last year. The growth rate for 2025 was also revised up to 3.3%, 0.1 percentage points higher than previously projected. The 2027 growth rate remained unchanged at 3.2%. Among

them, the United States grew by 2.4% in 2026, and China by 4.5%. Nonetheless, the IMF also reminds that information technology investment is a double-edged sword for the economy. Geopolitical conflicts and trade barrier risk remain concerns and may gradually materialize, further hindering global economic recovery.

With respect to its core fastener business, the Company continued in 2025 to enhance order acquisition and shipment efficiency, while focusing on niche products to meet customer demand during the economic recovery.

For 2026, the Company has formulated two major business strategies: (I) To continue expanding order acquisition in the European market and further deepen customer development. (II) To develop new business areas, review existing investments, make adjustments in line with future operational objectives, and define the Company's future transformation direction.

Looking ahead to 2026, the AI technology industry is booming, and related industry players hold a positive view of the year's prospects. However, traditional industries are less optimistic, with the slump of 2025 likely to continue. Industries such as steel, textiles, and petrochemicals are facing challenges due to insufficient demand and conservative customer orders caused by the dumping of excess capacity in China. Therefore, industry players are reportedly pessimistic about the 2026 outlook. Furthermore, the outbreak of the US-Iran conflict in the Middle East in February 2026, which continues until April, coupled with persistently high oil prices, is creating a domino effect that is pushing up inflation and economic uncertainty, potentially even dragging down economic growth momentum.

Our company deeply understands the risks of declining traditional industries and exited screw manufacturing in early 2025. We will gradually shift our operational focus to circular economy technology industries to reverse the cyclical disadvantages of traditional industries. In 2026, the company will gradually adjust its product mix and investment types to effectively improve operating performance. The management team will maintain a diligent and conscientious attitude, adapt flexibly to changes in the external environment, overcome bottlenecks and difficulties, reshape a positive, persistent, and innovative corporate culture, actively implement various business strategies, and strive to demonstrate operating performance and achieve our 2026 goals with prudent optimism.

Finally, we wish all shareholders
Good health and best wishes

Chairman James Huang

Two. Corporate Governance Report

I. Information on directors, general manager, deputy general manager, senior managers, and heads of departments and branches:

(I) Director Information - 1

March 31, 2026

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of appointment/service	Term duration	Shares held at time of appointment		Number of shares currently held		Shares currently held by spouse and minor children		Shares held in other names		Main experience and academic qualifications	Posts currently held at the Company and other companies	Executives, directors or supervisors in the Company who is a spouse or relative within the second degree of kinship under the Civil Code			Remarks
							Shares	Percentage of Shareholding %	Shares	Percentage of Shareholding %	Shares	Percentage of Shareholding %	Shares	Percentage of Shareholding %			Title	Name	Relationship	
Director's legal representative	Taiwan Steel Group United Co., Ltd. Representative: James Huang	Male 51-60 years old	R.O.C.	June 14, 2023	June 14, 2023	3 years	12,000,000	11.95%	10,000,000	9.93%	0	0	0	0	1. Institute of Financial Management, National Kaohsiung First University of Science and Technology 2. President, Kings Asset Management	Primary titles: None Other: Director of Jia Jie Biomedical Co., Ltd., General Manager of Kings Asset Management and Chairman of Rong Fu Co., Ltd.	None	None	None	None
Director's legal representative	Taiwan Steel Group United Co., Ltd. Representative: Chen, Cheng-Wen	Male 41-50 years old	R.O.C.	December 16, 2024	December 16, 2024	2 years	12,000,000	11.95%	10,000,000	9.93%	0	0	0	0	1. Master of Political Science, National Sun Yat-sen University; Doctoral Program of Political Science, National Sun Yat-sen University 2. Lecturer at Kaohsiung National Open University, Executive Director of the Southern Joint Service Center of the Executive Yuan	Primary titles: None Other: Director of the Chinese Professional Baseball League, a Director on the Board of directors of Taiwan Steel University of Science and Technology, Director of Kuei-Tien Cultural and Creative Entertainment Co., Ltd., and Director of Royal International Food.	None	None	None	None
Director's legal representative	Taiwan Styrene Investment Co., Ltd. Representative: Wu, Mei-Hui	Female 51-60 years old	R.O.C.	June 14, 2023	June 14, 2023	3 years	177,000	0.18%	177,000	0.18%	0	0	0	0	1. Master of Communication Management, Ming Chuan University; PhD, Finance, Xiamen University 2. Assistant Professor of the Department of Journalism of Ming Chuan University, Editor-in-Chief of Investor, Deputy Editor-in-Chief of Today Magazine, and Deputy Editor-in-Chief of Business Weekly.	Primary titles: None Other: D-link corporation, Directors of the Company, Royal International, Chairman of Hao Chi Foods Corp.	None	None	None	None

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of appointment/service	Term duration	Shares held at time of appointment		Number of shares currently held		Shares currently held by spouse and minor children		Shares held in other names		Main experience and academic qualifications	Posts currently held at the Company and other companies	Executives, directors or supervisors in the Company who is a spouse or relative within the second degree of kinship under the Civil Code			Remarks
							Shares	Percentage of Shareholding %	Shares	Percentage of Shareholding %	Shares	Percentage of Shareholding %	Shares	Percentage of Shareholding %			Title	Name	Relationship	
Director's legal representative	Rong Gang Investment Co., Ltd. Representative: Chen, Hsiang-Lin	Male 61-70 years old	R.O.C.	June 14, 2023	June 14, 2023	3 years	2,000	0.002%	2,000	0.002%	0	0	0	0	1. Graduated from the Department of Mechanical Engineering, Kunshan University of Science and Technology 2. Maintenance Consultant of Formosa Plastics Fujian Fuxin Special Steel Co., Ltd., Assistant Vice President of OFCO Industrial Corporation; Project Engineer of Walsin Lihwa Co., Ltd., Chief Engineer and Acting Plant Manager of Guihong Enterprise, and Engineer of Samsung Technology Co., Ltd.	Primary titles: None Other: None.	None	None	None	None
Director	Chen, Chi-Tai	Male 71 years old and above	R.O.C.	June 23, 2011	June 14, 2023	3 years	500,000	1.22%	698,163	0.70%	0	0	0	0	1. Graduated from Tainan Commercial Vocational School 2. Director, Universal Cement	Primary titles: None Other: Director of Chun Yu Works Co., Ltd., Chairman of Baijiayuan Investment Co., Ltd., Director of Chun Ri Machinery Co., Ltd., Director of Kuan-Tien Steel Corporation, and Director of Taiwan Styrene Monomer Corporation.	None	None	None	None
Independent Director	Jeff Huang	Male 61-70 years old	R.O.C.	June 22, 2017	June 14, 2023	3 years	0	0	0	0	0	0	0	0	1. Graduated from Department of Land Economics, National Chung Hsing University 2. Regional Manager, Ta Chong Commercial Bank, Vice President, Taishin Securities Investment Trust Co., Ltd., Vice President, Taiwan Indigena Botanic Co., Ltd.	Primary titles: None Other: Supervisor, Hearts & Mirrors Investment Co., Ltd.	None	None	None	None
Independent Director	Chang, Wen-Huai	Male 51-60 years old	R.O.C.	June 20, 2018	June 14, 2023	3 years	0	0	0	0	0	0	0	0	1. Master's degree, Institute of China Studies, Tamkang University 2. Assistant to the Chairman's Office, Chung Houng Construction Co., Ltd. 3. Special Assistant to the Chairman's Office, 85 Sky Tower Hotel Co., Ltd.	Primary titles: None Other: None.	None	None	None	None
Independent Director	Wang, Bing-Chuan	Male 41-50 years old	R.O.C.	June 14, 2023	June 14, 2023	3 years	0	0	0	0	0	0	0	0	1. Bachelor's degree, Department of Justice, National Taipei University, and studied at Law School, National Taiwan University 2. Independent Director of Allied Fiber Optic Communications Co., Ltd., Chief Legal Officer of D-Link Corporation, Legal Manager of Taiwan Steel & Minerals Co., Ltd.,	Primary titles: None Other: Independent Director of Amigo Technology lnc., Independent Director of King House Co., Ltd., Independent Director of Golden Win International CORP.	None	None	None	None

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of appointment/service	Term duration	Shares held at time of appointment		Number of shares currently held		Shares currently held by spouse and minor children		Shares held in other names		Main experience and academic qualifications	Posts currently held at the Company and other companies	Executives, directors or supervisors in the Company who is a spouse or relative within the second degree of kinship under the Civil Code			Remarks
							Shares	Percentage of Shareholding %	Shares	Percentage of Shareholding %	Shares	Percentage of Shareholding %	Shares	Percentage of Shareholding %			Title	Name	Relationship	
Director	Taiwan Steel Group United Co., Ltd.	omitted	R.O.C.	June 25, 2008	June 14, 2023	3 years	12,000,000	11.95%	10,000,000	9.93%	0	0	0	0	None	None	None	None	None	None
Director	Taiben Investment Co., Ltd.	omitted	R.O.C.	June 14, 2023	June 14, 2023	3 years	177,000	0.18%	177,000	0.18%	0	0	0	0	None	None	None	None	None	None
Director	Rong Gang Investment Co., Ltd.	omitted	R.O.C.	June 14, 2023	June 14, 2023	3 years	2,000	0.002%	2,000	0.002%	0	0	0	0	None	None	None	None	None	None

Note: Director Wu, Mei-Hui resigned on March 20, 2026.

1-1 Main shareholders among corporate shareholders

March 31, 2026

Corporate shareholder name (Note 1)	Major shareholders among corporate shareholders (Note 2)
Taiwan Steel Group United Co., Ltd.	Kings Asset Management (100%)
Taiben Investment Co., Ltd.	Huang, Shih-Chen (9.46%); Yi Tong Yuan Investment Co., Ltd. (36.23%); Huang, Chun-Jen (10.51%); James Huang (9.78%); Hsin-Gen Hsu (4.71%); Hsu, Hsin-Yu (4.71%); Yan, Ming-Ling (4.71%); Chen, Chun-Wen (4.71%), Huang, Chun-Yen (4.71%), Lin, Fang-Ching (3.62%)
Rong Gang Investment Co., Ltd.	Huang, Shu-Yen (100%)

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

Note 2: Fill out the names of the main shareholders (whose shareholding proportion exceeds 10% or is among the top 10 highest) among the corporate shareholders. If the major Shareholder is a corporation.

If applicable, please complete the table below.

1-2 Main shareholders among the main corporate shareholders

March 31, 2026

Legal person's name (note 1)	Major shareholders of the legal person (Note 2)
Kings Asset Management	James Huang (45%); Wang, Jiong-Fen (36%); Ching-Shing-Shing Steel Co., Ltd. (19%)
Yi Tong Yuan Investment Co., Ltd.	E-Sheng Steel Co., Ltd. (100%)

Note 1: If the major shareholder in Table 1 above is a legal person, fill in the name of the legal person.

Note 2: Fill in the names of the major shareholders of the legal person (top 10 by shareholding ratio).

(II) Director Information -2

1. Information disclosure of directors' professional qualifications and independent directors' Independence:

(1) Professional qualifications of directors

Title	Name	Professional qualifications and experience (Note 1)	Number of concurrent independent director posts to other public companies
Chairman	Representative of Taiwan Steel Group Co., Ltd. James Huang	1. Institute of Financial Management, National Kaohsiung First University of Science and Technology 2. Currently serves as General Manager of Kings Asset Management, Supervisor of Taiwan Network Group United Co., Ltd., Supervisor of Taiwan Steel Corporation, and Director of Jia Jie Biomedical Co., Ltd. 3. There was none of the items specified in Article 30 of the Company Act.	0

Title	Name	Professional qualifications and experience (Note 1)	Number of concurrent independent director posts to other public companies
Director	Representative of Taiwan Steel Group Co., Ltd. Chen, Cheng-Wen	1. Master of Political Science, National Sun Yat-sen University; Doctoral Program of Political Science, National Sun Yat-sen University 2. Director, Chinese Professional Baseball League; Director, Board of directors, Taiwan Steel University of Science and Technology; Director, Guitian Creative Entertainment Co., Ltd.; Director, Royal International Food Co., Ltd. 3. There was none of the items specified in Article 30 of the Company Act.	0
Director	Representative of Taiwan Styrene Investment Co., Ltd. Wu, Mei-Hui (Resigned on March 20, 2026)	1. Master of Communication Management, Ming Chuan University; PhD, Finance, Xiamen University 2. Currently serves as an assistant professor-level professional and technical staff, Department of Journalism, Ming Chuan University, and is a Director of D-link corporation and Chairman of Royal International Gourmet Co., Ltd. 3. There was none of the items specified in Article 30 of the Company Act.	0
Director	Chen, Hsiang-Lin, Representative of Rong Gang Investment Co., Ltd.	1. Graduated from the Department of Mechanical Engineering, Kunshan University of Science and Technology 2. Maintenance Consultant of Formosa Fujian Fuxin Special Steel Co., Ltd., Senior Manager of OFCO Industrial Corp., Project Engineer of Walsin Lihwa Corporation. 3. There was none of the items specified in Article 30 of the Company Act.	0
Director	Chen, Chi-Tai	1. Graduated from Tainan Commercial Vocational School 2. Directors of Chun Yu Works Co., Ltd., Chairman of Baijiayuan Investment Co., Ltd., Directors of Chun Zu machinery co., ltd., Directors of Quintain Steel Co., Ltd., and Directors of Taiwan Styrene Monomer Corporation. 3. There was none of the items specified in Article 30 of the Company Act.	0

(2) Professional qualification and independence of independent directors

Name	Professional qualifications and experience (Note 1)	Situation of independence (Note 2)	Number of concurrent independent director posts to other public companies
Jeff Huang	1. Graduated from Department of Land Economics, National Chung Hsing University 2. Regional Manager, Ta Chong Commercial Bank, Vice President, Taishin Securities Investment Trust Co., Ltd., Vice President, Taiwan Indigena Botanic Co., Ltd. Supervisor, Hearts & Mirrors Investment Co., Ltd. 3. There was none of the items specified in Article 30 of the Company Act.	Compliance with the independence criteria, including but not limited to the spouse and relatives within the second degree of kinship having not served as a director, supervisor or employee of the Company or its affiliated companies; having not holding the shares of the Company; having not served as a director, supervisor or employee of the Company or its related companies; having not provided commercial, legal, financial or accounting services to the Company or its affiliated companies for the most recent 2 years and the remuneration amount.	0
Chang, Wen-Huai	1. Graduated from Graduate Institute of China Studies, Tamkang University 2. Assistant to the Chairman's Office, Chung Houng Construction Co., Ltd., Special Assistant to the Consultant of the Chairman's Office, 85 Sky Tower Hotel Co., Ltd. 3. There was none of the items specified in Article 30 of the Company Act.	Compliance with the independence criteria, including but not limited to the spouse and relatives within the second degree of kinship having not served as a director, supervisor or employee of the Company or its affiliated companies; having not holding the shares of the Company; having not served as a director, supervisor or employee of the Company or its related companies; having not provided commercial, legal, financial or accounting services to the Company or its affiliated companies for the most recent 2 years and the remuneration amount.	0
Wang, Bing-Chuan	1. Bachelor's degree, Department of Justice, National Taipei University, and studied at Law School, National Taiwan University 2. Independent Director of United Fiber Optic Communication Co., Ltd., Chief Legal Officer of D-link corporation, Legal Manager of Taiwan Steel & Mining Corporation, Independent Director of E-Ton Solar Tech Co., Ltd., Independent Director	Compliance with the independence criteria, including but not limited to the spouse and relatives within the second degree of kinship having not served as a director, supervisor or employee of the Company or its affiliated companies; having not holding the shares of the Company; having not served as a director, supervisor or employee of the Company or its related companies; having not provided commercial, legal, financial or accounting	3

Name	Professional qualifications and experience (Note 1)	Situation of independence (Note 2)	Number of concurrent independent director posts to other public companies
	of King House Co. Ltd., Independent Director of King Yun international co., ltd. 3. There was none of the situations specified in Article 30 of the Company Act.	services to the Company or its affiliated companies for the most recent 2 years and the remuneration amount.	

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, their accounting or financial background and work experience should be described. In addition, it should be stated whether they have met the requirements of Article 30 of the Company Act.

Note 2: Independent directors should state the circumstances that meet the requirements of independence, including but not limited to whether they, their spouse, or their relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated companies; the number and proportion of the Company's shares held by them, their spouse, or their relatives within the second degree of kinship (or using the names of others); whether they serve as directors, supervisors, or employees of companies with specific relationships with the Company (refer to Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliated companies in the past two years.

2. Diversity policy and independence of the Board of Directors

Diversity policy of the Board of Directors

(1) On March 12, 2015, the Board of Directors of the Company approved the formulation of the "Corporate Governance Best Practice Principles". In Chapter 3, the Company strengthened the functions of the Board of Directors and established a diversity policy. It clearly stated that the abilities that the Board of Directors should possess as a whole include professional competence, accounting and financial analysis ability, business management ability, crisis management ability, industry knowledge, international market perspective, leadership ability and decision-making ability. The composition of the Board of Directors should take diversity into consideration and formulate appropriate board diversity policies based on its own operations, business model and development needs, including basic conditions and values (gender, age, nationality and culture), professional knowledge and skills (such as law, accounting, industry, finance, marketing or technology), etc. The specific management objectives and achievement of the Company's diversification policy are as follows:

Diversify the specific management goals	Implementation Status
The Board of Directors should include at least one female director.	There is 1 female Director (11%), achieving the goal of gender equality.
The number of directors who also serve as company managers should not exceed one-third of the Board seats.	No such situation
At least one-third of the directors must have industry, marketing or technology expertise.	Four Directors (44%) have financial accounting backgrounds, and all Directors have industry-related Management experience.
At least one-third of the independent directors must have legal, accounting or technical expertise.	Among the independent Directors, one (33%) has a financial accounting background, while two (67%) have a legal background.

(Note)：On March 20, 2026, a female director resigned. The Company will hold an annual shareholders' meeting on May 26, 2026 to elect a new board of directors. Among the candidates for director, there are three female directors.

(2) Diversity of the 18th Board of Directors (took office on June 14, 2023)

The Company's current Board of Directors consists of eight directors, including three independent directors. Board members possess extensive experience and professional expertise in finance, business, legal affairs, and management. All members of the Company's Board of Directors are Taiwanese nationals. The Board currently comprises three independent directors, representing 37.5% of the total Board seats. The Company also places importance on gender diversity in Board composition. Currently, one of the eight directors is female, representing 13% of the total seats, which does not yet meet the target of at least one-third representation for either gender. The Company will continue its efforts to increase female representation on the Board in order to achieve this goal. The consecutive service terms of all independent directors have not exceeded three terms, and all independent directors are in compliance with the relevant regulations governing independent directors promulgated by the Financial Supervisory Commission and its Securities and Futures Bureau.

The relevant implementation is as follows:

Title	Name	Nationality	Gender	Length of service of independent directors			Part-time employee	Professional skill				Professional knowledge					
				Under 3 years	3-9 years	Over 9 years		Leadership and decision-making	Asset Management	Industrial knowledge	Business management	Finance and accounting	Laws	Securities investment	Information technology	News media	Risk management
Chairman	James Huang	Republic of China	Male					√	√			√		√			
Director	Wu, Mei-Hui	As above	Female					√	√							√	
Director	Chen, Hsiang-Lin	As above	Male					√		√	√						
Director	Chen, Chi-Tai	As above	Male					√	√	√	√	√					√
Director	Chen, Cheng-Wen	As above	Male					√			√		√			√	√
Independent Director	Jeff Huang	As above	Male		√			√	√			√		√			√
Independent Director	Chang, Wen-Huai	As above	Male		√			√	√				√				√
Independent Director	Wang, Bing-Chuan	As above	Male	√									√		√		√

Note: One institutional director representing Taiben Investment Co., Ltd. resigned, and no replacement director has been appointed to date. Accordingly, the actual number of incumbent directors is eight. Ms. Mei-Hui Wu, the representative of Taiben Investment Co., Ltd., resigned on March 20, 2026. As of the end of March 2026, there were 7 directors actually in office.

Independence of the Board of Directors

The independence of the board members is explained as follows:

1. No more than half of the Board seats shall be held by directors who are spouses or relatives within the second degree of kinship, in accordance with Article 26-3 of the Securities and Exchange Act.
2. The Chairman and General Manager are different individuals.
3. The Company's Rules of Procedure for Board of Directors Meetings clearly stipulate that any director who has a personal interest or an interest on behalf of a juristic person he or she represents in a matter shall abstain from participating in the discussion and voting on such matter. All directors have complied with this requirement at each Board meeting.
4. The Company has three independent directors, in compliance with Article 14-2 of the Securities and Exchange Act, which requires that the number of independent directors shall not be fewer than two and shall not be less than one-fifth of the total number of directors. Independent directors account for 37.5% of the Board. All independent directors remain independent in the performance of their duties and have no direct or indirect interests in the Company.
5. In addition, to strengthen corporate governance and enhance the functions of the Board of Directors, the Company has established and implemented the "Board of Directors Performance Evaluation Rules." The Company conducts annual performance evaluations of the Board of Directors, functional committees, and individual directors on a regular basis. In 2025, the Company engaged an external professional institution to conduct a performance evaluation of the Board of Directors. The evaluation results and recommendations were reported to the Board of Directors and served as reference for the selection or nomination of directors for the next term.

   All Directors of the Company follow the aforementioned rules during meetings to ensure the independence of Board of directors operations.

(III) Information on the general manager, deputy general manager, senior managers, and heads of Segments and Agencies.

March 29, 2026

Title	Nationality	Name	Gender	Date of appointment/ service	Shares held		Shares held by spouse and minor children		Shares held in other names		Main academic qualifications	Posts currently held at other companies	Managers in the Company who is a spouse or relative within the second degree of kinship under the Civil Code			Remarks
					Shares	Percentage of Shareholding	Shares	Percentage of Shareholding	Shares	Percentage of Shareholding			Title	Name	Relationship	
President	R.O.C.	Shen, Yi-Te	Male	July 2, 2025	0	0%	0	0	0	0	1. Graduated from the Republic of China Naval Academy in 2024 and the U.S. Naval War College in 2030. 2. Special assistant to the chairman of Chunyu Factory (materials management, R&D, quality assurance, production control department).	Chairman of TSG Transport and Chairman of Taicang Environmental.	None	None	None	None
Business Project Manager	As above	Huang, Yu-Cheng	Female	November 8, 2023	30,000	0.03%	0	0	0	0	1. Bachelor of Economics/Business Administration, University of North Texas, USA (University of North Texas) 2. Overseas Business Associate of Arden Electric Co., Ltd., Senior Project of Classic PR Consultation Co., Ltd., Overseas Business Associate of Guanxi Electronics Co., Ltd.	None	None	None	None	None
Accounting Supervisor	As above	Wang, Mei-Yu	Female	May 10, 2004	51,426	0.05%	0	0	0	0	1. Department of Accounting, Tunghai University; 2. Financial Supervisor, Grand Hi-Lai Hotel	None	None	None	None	None
Previous General Manager	As above	Huang, Mei-Ling	Female	January 2, 2025	0	0	0	0	0	0	1. Department of Cooperative Economics, Feng Chia University II. General Manager of Argo Yacht Development Co., Ltd. and Deputy General Manager of Engineering Center, Glory Material Co., Ltd.	None	None	None	None	None
General Manager and CEO	As above	Wu, Po-Cheng	Male	January 2, 2025	0	0%	0	0	0	0	1. PhD in Research from the Institute of Metallurgy and Materials Science, National Cheng Kung University 2. Industrial Materials Research Institute, Industrial Technology Research Institute: Manager of Power Component Demonstration Department, pro-one technology co., ltd.: Executive Vice President, Vice President of C-HERO Technology.	1. Group General Manager of China Fineblanking Technology Co., Ltd	None	None	None	None

Note: Former General Manager Huang Mei-Ling resigned on July 2, 2025, and Mr. Wu Bo-Cheng served as CEO on January 2, 2025, resigned on March 12, 2025, and served as General Manager and CEO on April 15, 2026.

II. Remuneration paid to Directors (including independent directors), the general manager, and vice presidents in the last year.

1-1 Remuneration to directors (including independent directors)

December 31, 2025 Unit: NTD thousands

Title	Name	Directors' remuneration								Sum of A, B, C and D as a ratio of net income after tax (%) (Note 10)		Remuneration paid to directors concurrently serving as employees								The sum of A, B, C, D, E, F and G their proportion in net profit after tax (Note 10)		Whether the individual has received remuneration from investee companies other than subsidiaries or from the parent company (H)
		Remuneration paid (A) (Note 2)		Retirement Pension (F) (B)		Director's remuneration (C) (Note 3)		Business execution expense (D) (Note 4)				Salaries, bonuses, special allowances etc. (E) (Note 5)		Retirement Pension (F) (F)		Employees' remuneration (G) (Note 6)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		in the financial statements consolidated entities (Note 7)		The Company	All companies in the financial statements	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	James Huang	2,860	2,944	0	0	0	157	50	110	2,910 -1.80%	3,211 -1.98%	0	0	0	0	0	0	0	0	2,910 -1.80%	3,211 -1.98%	None
Director	Wu, Mei-Hui	0	0	0	0	0	0	35	35	35 -0.02%	35 -0.02%	0	0	0	0	0	0	0	0	35 -0.02%	35 -0.02%	None
Director	Chen, Hsiang-Lin	0	0	0	0	0	0	35	35	35 -0.02%	35 -0.02%	0	0	0	0	0	0	0	0	35 -0.02%	35 -0.02%	None
Director	Chen, Chi-Tai	0	0	0	0	0	0	40	90	40 -0.02%	90 -0.06%	0	0	0	0	0	0	0	0	40 -0.02%	90 -0.06%	None
Director	Chen, Cheng-Wen	0	0	0	0	0	0	15	15	15 -0.01%	15 -0.01%	0	0	0	0	0	0	0	0	15 -0.01%	15 -0.01%	None
Independent Director	Jeff Huang	360	360	0	0	0	0	45	45	405 -0.25%	405 -0.25%	0	0	0	0	0	0	0	0	405 -0.25%	405 -0.25%	None
Independent Director	Chang, Wen-Huai	360	360	0	0	0	0	40	40	400 -0.25%	400 -0.25%	0	0	0	0	0	0	0	0	400 -0.25%	400 -0.25%	None
Independent Director	Wang, Bing-Chuan	360	360	0	0	0	0	40	40	400 -0.25%	400 -0.25%	0	0	0	0	0	0	0	0	400 -0.25%	400 -0.25%	None
Corporate Director	Taiwan Steel Group United Co., Ltd.	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None
Corporate Director	Taiben Investment Co., Ltd.	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None
Corporate Director	Rong Gang Investment Co., Ltd.	0	0	0	0	0	0	0	0	0 0%	0 0%	0	0	0	0	0	0	0	0	0 0%	0 0%	None

1. The Company's payment policy, system, standard and structure for remuneration of independent directors, and explain the relationship with the remuneration payment according to the job duties handled, risks and time invested, etc.:

(1) According to the Articles of Incorporation of the Company, the board of directors of the Company is authorized to determine the remuneration of directors based on the directors' participation level in the Company's operation and value of contribution, along with the consideration of the common

Title	Name	Directors' remuneration								Sum of A, B, C and D as a ratio of net income after tax (%) (Note 10)		Remuneration paid to directors concurrently serving as employees								The sum of A, B, C, D, E, F and G their proportion in net profit after tax (Note 10)		Whether the individual has received remuneration from investee companies other than subsidiaries or from the parent company (H)
		Remuneration paid (A) (Note 2)		Retirement Pension (F) (B)		Director's remuneration (C) (Note 3)		Business execution expense (D) (Note 4)				Salaries, bonuses, special allowances etc. (E) (Note 5)		Retirement Pension (F) (F)		Employees' remuneration (G) (Note 6)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		in the financial statements consolidated entities (Note 7)		The Company	All companies in the financial statements	
																Cash amount	Stock amount	Cash amount	Stock amount			

standards adopted in the same industry, and shall not exceed the highest salary level specified in the Company's Salary Review Measures.

(2) The Articles of Incorporation have also explicitly specified that an amount not higher than 3% of the profit of the current year is to be appropriated as the directors' remuneration.

(3) Since independent Directors concurrently serve on the Audit Committee, Sustainable Development Committee, and Remuneration Committee, and are required to participate in discussions and resolutions of relevant committee meetings according to each committee's organizational charter, their returns have been higher than those of general Directors.

2. In addition to the above disclosure, the remuneration received by the directors of the Company for providing services to all companies in the financial report (such as serving as consultants for the parent company/all companies in the financial report/invested businesses who are not employees, etc.) in the most recent year: None

Note 2: Refers to the remuneration of directors in the most recent year (including director salary, position allowance, severance pay, various bonuses, incentives, etc.).

Note 3: Fill in the amount of directors' remuneration distributed by the Board of Directors in the most recent year.

Note 4: Refers to the relevant business execution expenses of the directors in the most recent year (including travel expenses, special expenses, various allowances, dormitories, cars and other physical provisions, etc.).

Note 5: Refers to the remuneration received by directors and employees who also serve as directors (including general manager, deputy general manager, other managers and employees) in the most recent year, including salaries, position allowances, severance pay, various bonuses, incentives, travel expenses, special expenses, various allowances, dormitories, cars and other in-kind provisions, etc. When providing housing, cars and other means of transportation or personal expenses, the nature and cost of the assets provided, the actual or fair market value of the rent, gas and other payments should be disclosed. If there is a driver, please provide a note indicating the relevant remuneration paid by the Company to the driver, which shall not be included in the remuneration. In addition, salary expense recognized in accordance with IFRS 2 Share-based Payment, including Acquisition of employee share options, restricted stock units and shares subscribed through cash capital increase, should also be included in remuneration.

Note 6: This refers to directors who are also employees (including general manager, deputy general manager, other managers, and employees) and have received employee remuneration (including stocks and cash) in the most recent year. These individuals should disclose the amount of employee remuneration distributed by the Board of directors in the most recent year. If an estimate is not available, the proposed distribution amount for this year shall be calculated based on the proportion of the actual distribution amount from the previous year.

1-2 Table of remuneration levels

Tiers of remuneration paid to directors of the Company	Name of Director			
	Sum of the four remunerations above (A+B+C+D)		Sum of the seven remunerations above (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Under NT$1,000,000	Chen, Chi-Tai; Wu, Mei-Hui; Chen, Hsiang-Lin; Jeff Huang; Chang, Wen-Huai; Wang, Bing-Chuan; Chen, Cheng-Wen	Chen, Chi-Tai; Wu, Mei-Hui; Chen, Hsiang-Lin; Jeff Huang; Chang, Wen-Huai; Wang, Bing-Chuan; Chen, Cheng-Wen	Chen, Chi-Tai; Wu, Mei-Hui; Chen, Hsiang-Lin; Jeff Huang; Chang, Wen-Huai; Wang, Bing-Chuan; Chen, Cheng-Wen	Chen, Chi-Tai; Wu, Mei-Hui; Chen, Hsiang-Lin; Jeff Huang; Chang, Wen-Huai; Wang, Bing-Chuan; Chen, Cheng-Wen
NT$1,000,000 (inclusive) – NT$2,000,000 (not inclusive)	None	None	None	None
NT$2,000,000 (inclusive) – NT$3,500,000 (not inclusive)	James Huang	James Huang	James Huang	James Huang
NT$3,500,000 (inclusive) to NT$5,000,000 (not inclusive)	None	None	None	None
NT$5,000,000 (inclusive) to NT$10,000,000 (not inclusive)	None	None	None	None
NT$10,000,000 (inclusive) to NT$15,000,000 (not inclusive)	None	None	None	None
NT$15,000,000 (inclusive) to NT$30,000,000 (not inclusive)	None	None	None	None
NT$30,000,000 (inclusive) to NT$50,000,000 (not inclusive)	None	None	None	None
NT$50,000,000 (inclusive) to NT$100,000,000 (not inclusive)	None	None	None	None
Over NT$100,000,000	None	None	None	None
Total	8 people	8 people	8 people	8 people

2-1 Supervisor’s remuneration: None (an audit committee has been established by the company as replacement for a supervisor)

3-1 President and Vice President's remuneration

Unit: NT$ thousand

Title	Name	Salary (A)		Retirement pension (B)		Bonuses and Allowances (C)		Employee Earnings Distribution (D) (Note 2)				Sum of A, B, C and D as a ratio (%) of net income after tax		Related profit sharing from earnings from investees other than the subsidiaries or the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
Previous General Manager	Shen, Yi-Te	0	0	0	0	0	0	0	0	0	0	0	0	None
General Manager and CEO	Wu, Bo-Cheng	559	559	0	0	0	0	0	0	0	0	559 -0.35%	559 -0.35%	None
Previous General Manager	Huang, Mei-Ling	954	954	0	0	0	0	0	0	0	0	954 -0.59%	954 -0.59%	None
vice president of finance	Wang, Mei-Yu	1,452	1,452	0	0	164	164	0	0	157	0	1,616 -1.00%	1,616 -1.00%	None

Note1: Former General Manager Huang Meiling took office on January 2, 2025, and left the company on July 2, 2025. Wu Bocheng took office as CEO on January 2, 2025, left the company on March 12, 2025, and returned to the position of General Manager and CEO on Apri1 15, 2026.

Former General Manager Shen Yide did not receive any salary from the company.

Note2: The Board of Directors approved the employee remuneration for 2025. (The Company experienced an operating loss in 2025, and therefore no remuneration was paid to employees or Directors.)

3-2 Table of remuneration levels

Tiers of remuneration paid to the President and Vice Presidents of the Company	Name of President and Vice President	
	The Company (Note 7)	All companies in the financial statement (Note 8) D
Under NT$1,000,000	Shen, Yi-Te, Wu, Po-Cheng, and Huang, Mei-Ling	Shen, Yi-Te, Wu, Bo-Cheng, Huang, Mei-Ling
NT$1,000,000 (inclusive) – NT$2,000,000	Wang, Mei-Yu	Wang, Mei-Yu
NT$2,000,000 (inclusive) – NT$3,500,000	None	None
NT$3,500,000 (inclusive) – NT$5,000,000	None	None
NT$5,000,000 (inclusive) – NT$10,000,000	None	None
NT$10,000,000 (inclusive) – NT$15,000,000	None	None
NT$15,000,000 (inclusive) – NT$30,000,000	None	None

Tiers of remuneration paid to the President and Vice Presidents of the Company	Name of President and Vice President	
	The Company (Note 7)	All companies in the financial statement (Note 8) D
NT$30,000,000 (inclusive) – NT$50,000,000	None	None
NT$50,000,000 (inclusive) – NT$100,000,000	None	None
Over NT$100,000,000	None	None
Total	4 people	4 people

4-1 Remuneration of executives with the top five highest levels of remuneration

Title	Name	Salary (A)		Retirement pension (B)		Bonuses and Allowances (C)		Employee Earnings Distribution (D)				Sum of A, B, C and D as a ratio of net income (%)		Related profit sharing from earnings from investees other than the subsidiaries or the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	James Huang	2,860	2,944	0	0	50	110	0	0	157	0	2,911 -1.80%	3,054 -1.98%	None
Previous General Manager	Shen, Yi-Te	0	0	0	0	0	0	0	0	0	0	0 0%	0 0%	None
Previous General Manager	Huang, Mei-Ling	954	954	0	0	0	0	0	0	0	0	954 -0.59%	954 -0.59%	None
Former CEO	Wu, Po-Cheng	559	559	0	0	0	0	0	0	0	0	559 -0.35%	559 -0.35%	None
Accounting Supervisor	Wang, Mei-Yu	1,452	1,452	0	0	164	164	0	0	0	0	1,616 -1.00%	1,616 -1.00%	None

Note: Previous General Manager Shen, Yi-De has not received Compensation from the Company.

Wu Bocheng took office as CEO in January 2025, resigned in March, and returned as General Manager and CEO in April 2026.

4-2 Name of manager distributing employee remuneration and situation of distribution

March 31, 2026 Unit: NTD thousands

	Title	Name	Stock amount	Cash amount	Total	Proportion of net income after tax (%)
Manager	Previous General Manager	Shen, Yi-Te	0	0	0	0%
	Previous General Manager	Huang, Mei-Ling				
	General Manager and CEO	Wu, Bo-Cheng				
	Accounting Supervisor	Wang, Mei-Yu				

Note: Due to an operating loss in 2025, the board resolution was to not distribute employee remuneration.

(IV) Analysis of the proportion of total remuneration paid to the Company's directors, President and Vice Presidents in the last two years in relation to net profit after tax of individual financial reports, and the policy, standards and methods of remuneration paid, and the procedures for determining remuneration and correlation between business performance and future risks:

1. Analysis of the proportion of total remuneration paid to the Company's directors, supervisors, President and Vice President by the Company and all companies in the consolidated statements in the last two years in relation to the net profit after tax of the individual or their individual financial reports:

Unit: NT$ thousand

	The Company				Consolidated Financial Statements (All Companies)			
	2025		2024		2025		2024	
	Total amount	Proportion of net profit after tax %	Total amount	Proportion of net profit after tax %	Total amount	Proportion of net profit after tax %	Total amount	Proportion of net profit after tax %
Directors' remuneration	4,240	-2.62%	6,211	-17.25%	4,591	-2.83%	8,865	-24.62%
General manager and vice general manager remuneration	3,129	-1.93%	2,443	-6.78%	3,286	-2.03%	5,033	-13.98%
Net profit after tax	-161,982		-36,012		-161,982		--36,012	

Note: Due to the operating loss in 2025 and 2024, the Board of Directors passed a board resolution not to distribute directors' remuneration or employee compensation at the established appropriation rate.

2. The policy, standards and combination of remuneration payment, the procedure for setting remuneration, and its relationship with business performance and future risks: (1) The policy, standard and combination of remuneration:

❶ Article 18 of the Company's Articles of Incorporation states that when Company directors perform their duties, the Company must pay remuneration regardless of whether the Company makes a profit or loss. The remuneration paid to all directors is based on their level of participation in the Company business and the value of their contribution, with reference to normal industry levels, with the Board of Directors authorized to make the decision. In addition, if the Company makes a profit in the current year, according to Article 23 of the Company Policy: The Company may allocate not more than 3% of the abovementioned profit as directors' remuneration as determined over a board meeting. The Company regularly evaluates the remuneration paid to directors in accordance with the “Performance Evaluation Method for Board of Directors”. The relevant performance appraisal and the rationality of remuneration are reviewed by the salary and remuneration committee and board of directors.

❷For remuneration paid to the Company’s managers, various work allowances and bonuses are stipulated according to the Company’s salary management policy to reward employees for their hard work. These bonuses are awarded based on the Company’s business performance, financial position, operating condition, and individual work performance for the year. In addition, if the Company made a profit in the current year, according to Article 23 of the Company’s articles of incorporation—which states that if the Company made a profit in the current year, 1% to 3% is allocated as remuneration paid to employees—a board resolution will determine if the remuneration is paid in stocks or cash. The Company’s performance evaluation results based on the salary management policy serve as a reference basis for allocating manager bonuses, and the categories of manager performance evaluation are divided into: (A) Financial indicators: Based on the Company’s management income statement, such as shipment volume, order volume, production volume, cost reduction amount, and other profit contribution allocations, with reference to the manager’s rate of goal accomplishment. (B) Non-financial indicators: Two major aspects—practicing company core values and business management skills, and participation in sustainable business—such as the number of major occupational accidents or number of process improvements, for calculating remuneration based on business performance. The remuneration system is reviewed at any time based on the actual operating situation and relevant legal requirements.

❸The Company’s remuneration methods, as determined by the organizational rules of the compensation committee, include cash remuneration, share options, retirement benefits or severance payment, various allowances, and other measures with substantial incentives. The scope of these methods has been consistent with the directors’ and managers’ remuneration disclosed in the regulations governing information to be published in annual reports of public companies.

(2) Process for determining remuneration:

❶ To regularly assess the remuneration of directors and managerial officers, the Company bases its evaluations on the results of assessments conducted in accordance with the “Rules for Performance Evaluation of Board of Directors” for directors, and the “Regulations for Salary Administration” applicable to managerial personnel and employees. The Board performance evaluation includes metrics such as the level of participation in the Company’s operations and oversight and assessment of risk management. The remuneration of the Chairman and the general manager is determined with reference to industry standards and is linked to the achievement of the Company’s performance indicators. The proposed remuneration is submitted to the Board of Directors for approval. To fully reflect the attainment of performance indicators, the chairman’s performance evaluation is based on the Company’s annual operational indicators related to business, governance, and financial results. The evaluation scope includes 23 indicators such as pre-tax net profit, credit ratings (including those from Taiwan Ratings), and oversight of financial plan implementation. The general manager’s performance evaluation scope includes key responsibilities such as pre-tax net profit, operational safety management, revenue management, promotion of in-house maintenance capabilities, strengthening of internal controls, and implementation of quality assurance and management.

❷ The self-assessment of performance results for the 2025 Board of directors, Directors, and members of various functional committees all significantly exceeded standards. The 2025 manager performance assessment results showed that all managers' performance met or surpassed their expected objective requirements. The company's annual operating indicators assessment results also reached ideal standards.

❸The performance evaluation and reasonableness of remuneration for directors and managers of the Company are evaluated and reviewed regularly by the Remuneration Committee and the Board of Directors every year. In addition to referring to the individual's performance achievement rate and contribution to the Company, the overall operating performance of the Company, future risks and development trends of the industry are taken into consideration. The remuneration system is reviewed in a timely manner based on the actual operating conditions and relevant laws and regulations. In addition, reasonable remuneration is given after comprehensively considering the current corporate governance trends in order to strike a balance between the Company's sustainable operation and risk control. Due to the operating loss in 2025, the Board of Directors resolved not to distribute directors' and employees' remuneration.

(3) The Correlation between Business Performance and Future Risks

❶The review of the Company's remuneration policy and payment standards and systems is based on the Company's overall operating conditions, and the payment standards are approved based on the performance achievement rate and contribution, in order to improve the overall organizational team effectiveness of the Board of Directors and the management department. In addition, in reference to the industry's remuneration standards, coupled with various reasonable remuneration and welfare plans to ensure the company's remuneration for the management level demonstrates industrial competitiveness, thereby retaining outstanding management talents.

❷The performance targets of the Company's managers are all associated with "risk control" to ensure that the possible risks within the scope of responsibilities can be managed and prevented. The results of the evaluation are assessed based on actual performance, which is linked to relevant human resources and related salary and remuneration policies. The important decisions of the management are made after balancing out the various risk factors. The performance of related decisions reflect the Company's profitability, as well as the relevance with management remuneration ad risk control performance.

❸ The remuneration paid by the Company to managers includes long-term incentives in the form of employee stock options, which are not paid in full in the year of profit. The actual value is related to the future stock price. It encourages employees to stay for a long time and share future business risks and operating results with the Company.

(4) Disclosure of the linkage between senior executive compensation and ESG-related performance assessment

The remuneration to the Company's managers covers the achievement of the Company's business goals and personal annual goals. The Company’s objectives include financial and non-financial indicators, and individual annual objectives include operational objectives and ESG indicators (with a focus on improving corporate governance evaluation, paying attention to climate change and greenhouse gas emission reduction through voluntary examination, and formulating a sustainable talent succession plan). The amount allocated to each managerial officer is determined by their position, contribution, and performance. The annual performance evaluation Result of senior managers served as the main basis for job transfers, promotions, salary adjustments, and bonus distributions. By specifically linking ESG-related performance to their salaries and returns mechanisms, senior managers were motivated to actively promote ESG-related policies and actions, and implement and achieve the Company's sustainable Development goals. Through quantitative indicators, Management can strengthen its ability to create long-term shareholder value and continuously improve ESG goal performance, which is highly correlated with the Company's business performance. The correlation between compensation and future risk: In addition to referring to the relevant industry standards and the Company's operating performance, the remuneration of the Company's general manager and managers will also be reviewed and adjusted in a timely manner based on actual operating conditions and changes in relevant laws and regulations. Managers will not be guided to engage in behaviors that exceed the Company's risks in pursuit of remuneration, so as to ensure a balance between the Company's sustainable operation and risk control.

Senior managers follow sustainable development policies to supervise the implementation of business plans and action plans by their teams. As an example, the performance targets for 2025 showed that the General Manager's “sustainable development performance indicators” held a weight of 25%. For other senior managers, the weight of “sustainable development performance indicators” ranged from 15% to 20%, depending on their position and the scope of their business.

3. Implementation Status

In 2025, affected by high U.S. tariffs, the appreciation of the New Taiwan dollar, and weak economic conditions in Europe, customers in the Company’s core fastener business showed lower willingness to place orders and take shipments. In addition, losses incurred by subsidiaries led to a decline in profitability, and therefore no employee compensation was accrued. However, the Company made progress compared with the previous year in areas such as corporate image enhancement, energy conservation and carbon reduction, and greenhouse gas emission reduction. Accordingly, the compensation of senior executives remained unchanged, while non-management employees received salary increases of 3% to 5% based on their performance evaluations.

III. Status of Corporate Governance Operations

(I) Operation of the Board of Directors

1. In the most recent year (2025), the Board of Directors held 10 meetings, and director attendance was as follows:

Title	Name	Number of actual attendance	Attendances by proxy	Actual attendance (presiding) rate %	Remarks
Chairman and legal representative of directors	James Huang, Representative of Taiwan Steel Group Co., Ltd.	10	0	100%	
Legal representative of directors	Chen, Cheng-Wen, Representative of Taiwan Steel Corporation	9	0	90%	
Legal representative of directors	Wu, Mei-Hui, Representative of Taiben Investment Co., Ltd.	10	0	100%	Resignation on March 20, 2026
Legal representative of directors	Chen, Hsiang-Lin, Representative of Rong Gang Investment Co., Ltd.	10	0	100%	
Director	Chen, Chi-Tai	10	0	100%	
Independent Director	Jeff Huang	9	0	90%	
Independent Director	Chang, Wen-Huai	10	0	100%	
Independent Director	Wang, Bing-Chuan	10	0	100%	

2. Other Matters to be Recorded:

2-1 If any of the following circumstances occur in the operation of the Board of Directors, the Company shall disclose the date and session of the Board meeting, the content of the proposals, the opinions of all independent directors, and the Company's response to such opinions.

2-1-1 Matters stipulated in Article 14-3 of the Securities and Exchange Act.

Time	Motions	The opinions of independent directors	The company's handling of independent directors' opinions.
January 2, 2025 The 11th meeting of the 18th term	▪The Company proposed a proposal to lease assets to Related parties.	No dispute.	None
February 20, 2025 The 12th meeting of the 18th term	▪Participated in the private placement cash capital increase of Ho Hsin Precision Industrial Co., Ltd..	No dispute.	None
March 12, 2025 The 13th meeting of the 18th term	▪A proposal to request the Board of Directors' approval of the 2024 internal control statement. ▪The Company's transactions with Related parties regarding purchases and sales, and provision of labor or technical services in 2025. ▪Assessment of the independence and suitability of appointed accountants for 2025.	No dispute.	None

Time	Motions	The opinions of independent directors	The company's handling of independent directors' opinions.
	▪Loan to Yung Fu Funding.		
April 18, 2025 The 14th meeting of the 18th term	1. Revised provisions to the intragroup control system regarding the investment cycle. 2. Proposal to amend to the partial articles of the "Operational Procedures for the Acquisition and Disposal of Assets."	No dispute.	None
May 7, 2025 The 15th meeting of the 18th term	▪Items listed in Article 14-3 of the Securities and Exchange Act.	No dispute.	None
July 2, 2025 The 16th meeting of the 18th term	▪No matters listed under Article 14-3 of the Securities and Exchange Act	No dispute.	None
August 6, 2025 The 17th meeting of the 18th term	▪Revised payroll cycle of the internal control and internal audit system.	No dispute.	None
September 25, 2025 The 18th meeting of the 18th term	▪The Taipei Exchange was notified that significant subsidiary Yung Fu Co., Ltd. conducted a private placement cash capital increase in 2024, and the Company did not participate in subscription, resulting in a decrease in shareholding of 10% or more, pursuant to the Rules Governing the Trading of Securities on the TPEx.	No dispute.	None
November 12, 2025 The 19th meeting of the 18th term	▪Formulate the intragroup internal audit plan for 2026.	No dispute.	None
December 23, 2025 The 20th meeting of the 18th term	▪Provision of endorsements/guarantees to banks for subsidiaries. ▪The Subsidiary, Taichung Iron & Steel Energy Corporation, established procedures for lending funds to others. ▪The loan of Funding to Yung Fu by the Subsidiaries Tai Steel Transportation and Tai Steel Energy.	No dispute.	None

2-1-2 In addition to the above matters, other matters that have been opposed or reserved by independent directors and have records or written statements: No such situation.

2-2 Regarding the execution status of the recusal of directors due to conflicts of interest in the proposal, indicate the director's name, proposal content, the reason for recusal due to conflicts of interest, and participation in voting:

Board meeting time	Names of directors recused for conflict of interest	Motions	Reasons for recusal	Voting results
January 2, 2025 The 11th meeting of the 18th term	•Chairman James Huang.	Proposal for the distribution of the 2024 year-end bonus to managerial officers and the salary adjustment proposal for 2025.	The content involves matters concerning the personal interests of directors, who should recuse themselves from such matters and appointed Director Chen, Chi-Tai as Acting Chair.	The director listed on the left who recused due to conflict of interest did not participate in the discussion and voting sessions, and the acting chairman consulted the directors present, and the proposal was approved as proposed without objection.

Board meeting time	Names of directors recused for conflict of interest	Motions	Reasons for recusal	Voting results
	Directors Chen, Chi-Tai, Wu, Mei-Hui, and Wang, Bing-Chuan.	The Company had a proposal to lease assets to a related party.	The content involves the personal interests of the director, and the director should recuse due to conflict of interest.	The director listed on the left who recused due to conflict of interest did not participate in the discussion and voting sessions, and the acting chairman consulted the directors present, and the proposal was approved as proposed without objection.
March 12, 2025 The 13th meeting of the 18th term	Director Chen, Chi-Tai	Transactions with Related parties in 2025, including purchases and sales of goods, labor services, or technical services.	The content involves the personal interests of the director, and the director should recuse due to conflict of interest.	The director listed on the left who recused due to conflict of interest did not participate in the discussion and voting sessions, and the acting chairman consulted the directors present, and the proposal was approved as proposed without objection.
	Chairman James Huang	Loan to Subsidiary, Yung Fu Funding	The content involves matters concerning the personal interests of directors, who should recuse themselves from such matters and appointed Director Chen, Chi-Tai as Acting Chair.	The director listed on the left who recused due to conflict of interest did not participate in the discussion and voting sessions, and the acting chairman consulted the directors present, and the proposal was approved as proposed without objection.
August 6, 2025 The 17th meeting of the 18th term	Chairman James Huang	• Remuneration to the corporate director representative of a subsidiary company	The content involves matters concerning the personal interests of directors, who should recuse themselves from such matters and appointed Director Chen, Chi-Tai as Acting Chair.	The director listed on the left who recused due to conflict of interest did not participate in the discussion and voting sessions; the chairman consulted the directors present, and the proposal was approved as proposed without objection.
December 23, 2025 The 20th meeting of the 18th term	Chairman James Huang	• Provide bank's endorsement guarantee to subsidiaries. • The funding loan from Subsidiaries Tai Steel Transport & Logistics and Tai Steel Energy to Subsidiary Yung Fu.	The content involves matters concerning the personal interests of directors, who should recuse themselves from such matters and appointed Director Chen, Chi-Tai as Acting Chair.	The director listed on the left who recused due to conflict of interest did not participate in the discussion and voting sessions; the chairman consulted the directors present, and the proposal was approved as proposed without objection.

2-3 The Evaluation of the Objectives and the Implementation Status of Strengthening Board Functions for the Current and the Most Recent Year:

Strengthening board function and objectives	The Assessment of Implementation Status
The Designation of Independent Directors	Three independent directors were elected at the 2023 general shareholders' meeting, and the 2nd term of the Audit Committee was established.
Establish the Remuneration Committee.	Assist the Board of Directors in implementing and evaluating the Company's overall remuneration and welfare system, and regularly review whether the remuneration of directors and managers is reasonable.
Continue to enhance information transparency.	The Company shall assign a dedicated person responsible for the disclosure and update of company information.
Take the initiative to communicate with stakeholders.	There are a spokesperson and an acting spokesperson for the Company. This can serve as a communication channel for stakeholders. Shareholders with the right to submit proposals can present proposals during the acceptance period. As stipulated, the

	Company will submit it to the board of directors for discussion. The status of communication with Related parties was reported to the Board of directors on November 12, 2025.
Improve the operational efficiency and decision-making ability of the board of directors	1. The Company has established the “Rules of Procedure for Board Meetings” to strengthen the implementation of the functions of the Board of Directors and promote the healthy development of the Board of Directors' participation in decision-making. 2. The company has established the Rules for Performance Evaluation of Board of Directors in order to periodically evaluate board performance and improve board performance. The Company completed the 2025 Board of Directors performance assessment at the beginning of 2024 and submitted it to the Board of directors meeting on March 12, 2025. 3. In June 2025, the Company appointed the Taiwan Investor Relations Association to conduct an external board performance evaluation. On November 21, 2025, the Association issued an evaluation report, the overall result of which was submitted to the Board of directors on December 23, 2025 for board approval and as the basis for review and improvement.
Strengthening Professional Knowledge	The Company encourages directors and supervisors to conduct advanced training on the functions and professional knowledge of directors and supervisors, as well as publicize the board of directors meeting in accordance with legal requirements.

2-4 Attendance of independent Directors at Board of Directors meetings in 2025:

	1/2	2/20	3/12	4/18	5/7	7/2	8/6	9/25	11/12	12/23
Jeff Huang	*	◎	◎	◎	◎	◎	◎	◎	◎	◎
Chang, Wen-Huai	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎
Wang, Bing-Chuan	◎	◎	◎	◎	◎	◎	◎	◎	◎	◎

◎: Attending in person; ☆: Attending by proxy; *: Not attending

3. The self-assessment execution status of the board of directors

Assessment cycle	Period of evaluation	Scope of evaluation	Evaluation methods	Evaluation contents
Once per year	Assess the performance of the Board of Directors from January 1 through December 31, 2025.	The Company's scope of evaluation includes the assessment of the Board of directors as a whole, its individual Directors, the Remuneration Committee, and the Audit Committee.	1. The internal self-assessment of the board of directors 2. The self-assessment of the board members 3. Self-evaluation of the members of the functional committees	I. Board performance evaluation: including the degree of participation in the Company's operations, the quality of board decision-making, the composition and structure of the board, the election and continuing education of directors, and internal control. II. The assessment of the performance of individual board members: Including the grasp of the company's objectives and missions, the knowledge of directors' duties, the degree of participation in the company's operations, internal relationship management and communication, directors' expertise and continuing education and internal control. III. Audit and Remuneration Committee performance evaluation: Level of participation in

Assessment cycle	Period of evaluation	Scope of evaluation	Evaluation methods	Evaluation contents
				the Company's operations, awareness of functional committee responsibilities, quality of functional committee decision-making, composition of functional committees and election of members, internal control, etc.

4. The evaluation of the objectives and the implementation status of strengthening the board's functions for the current year and the most recent year:

(1) The Board of directors operates in accordance with applicable laws, the articles of incorporation, and shareholders' meeting resolutions when exercising its authority. All Directors possess the professional knowledge, skills, and qualifications necessary to fulfill their duties and act with the principle of loyalty and good faith and a duty of care to maximize Interest for all Shareholder.

(2) In order to strengthen corporate governance, the Company added one independent director during the 2020 re-election of the Board of Directors. The current number of Board seats is 8 (including 3 independent directors). The Company's Board of Directors has diverse backgrounds, including those from different industries, academia and law, and includes one female director. To further establish a good board governance system for the Company, improve sound supervisory functions, and strengthen Management functions, and in accordance with the regulations of the securities authority, the Remuneration Committee was established on November 25, 2011, and the Sustainable Development Committee was established on June 20, 2022.

(3) The Company established the board performance evaluation policy on November 10, 2015, and revised it on March 25, 2023. In addition to establishing performance targets to enhance board operational efficiency, internal auditors also prepare audit reports on the Board of directors' operations to comply with the regulations of the securities authority.

(4) The Company appointed the Taiwan Investor Relations Institute to conduct an external board performance evaluation in June 2025. The institute issued an evaluation report on November 21, 2025, and the overall Result was submitted to the Board of directors on December 23, 2025, for board approval and served as the basis for review and improvement.

(II) Audit Committee operational status or the status of participation in the Board of Directors

1. The operational status of the Audit Committee

(1) On June 11, 2020, the company established an audit committee to assume the supervisors' power. The Audit Committee is made up of three independent directors. In June 2023, the term of directors expired and three independent directors were elected to form the second Audit Committee.

(2) The Audit Committee held nine (9) meetings in the most recent year (2025). The attendance of independent directors is as follows:

Title	Name	Number of actual attendance	Attendances by proxy	Actual attendance (presiding) rate %	Remarks
Independent Director (convener)	Jeff Huang	8	0	89%	
Independent Director	Chang, Wen-Huai	9	0	100%	
Independent Director	Wang, Bing-Chuan	9	0	100%	

(3) Work priorities for 2025

1. Financial report auditing and accounting policies and procedures.	2. Internal control system and relevant policies and procedures
3. Major assets or derivatives trading	4. Legal compliance
5. Status of Audit Committee duty fulfillment	6. Information security
7. Company risk management	8. If the manger and directors have transactions with interested parties and possible conflict of interest
9 Anti-fraud plan and fraud investigation report	

(4) 2025 Audit Committee operational status:

As of December 31, 2025, the Audit Committee held a total of 9 meetings.

Number of times	Meeting time	Topics discussed	Matters stipulated in Article 14-5 of Securities and Exchange Act	Audit results	Matters not approved by the Audit Committee, but approved by more than two-thirds of the board of directors.
1	January 2, 2025 8th meeting of the 2nd term	1. Proposal for the appointment of new general manager and Chief Executive Officer. 2. Proposal for donation to Gui Tian Cultural & Creative Entertainment Co., Ltd. 3. The Company intends to lease assets to Related parties.	√	The proposal has been approved.	None
2	February 20, 2025 9th meeting of the 2nd term	1. Participation in the private placement cash capital increase of Ho Hsin Precision Industrial Co., Ltd.	√	The proposal has been approved.	None
3	March 12, 2025 10th meeting of the 2nd term	1. The Company's proposal for business report and financial report for 2024. 2. Propose the 2024 earnings distribution proposal. 3. 2025 internal control statement. 4. Evaluation of the independence and suitability of the CPAs appointed by the Company for 2025. 5. Revised articles of incorporation. 6. Loan to Subsidiary Yung Fu. 7. Revised proposal for organizational structure.	√ √ √ √ √	The proposal has been approved.	None
4	April 18, 2025 11th meeting of the 2nd term	1. Revised provisions to the intragroup control system regarding the investment cycle. 2. Proposal to amend to the partial articles of the "Operational Procedures for the Acquisition and	√ √	The proposal has been approved.	None

Number of times	Meeting time	Topics discussed	Matters stipulated in Article 14-5 of Securities and Exchange Act	Audit results	Matters not approved by the Audit Committee, but approved by more than two-thirds of the board of directors.
		Disposal of Assets.”			
5	May 7, 2025 12th meeting of the 2nd term	1. The Company’s 2025 first quarter financial report.	√	The proposal has been approved.	None
6	August 6, 2025 13th meeting of the 2nd term	1. The Company's 2025 second quarter financial report. 2. Revised payroll cycle of the internal control and internal audit system.	√ √	The proposal has been approved.	None
7	September 25, 2025 14th meeting of the 2nd term	1. The private placement cash capital increase of Yung Fu Co., Ltd., a significant subsidiary, in 2024 resulted in a decrease in shareholding by 10% after the Company’s decision not to participate in subscription, as stipulated by the Taipei Exchange's Rules Governing the Trading of Securities on the TPEx.		The proposal has been approved.	None
8	November 12, 2025 15th meeting of the 2nd term	1. The Company’s 2025 third-quarter financial report. 2. Formulation of the 2026 internal audit plan.	√ √	The proposal has been approved.	None
9	December 23, 2025 16th meeting of the 2nd term	1. Provision of bank endorsements and guarantees for subsidiaries. 2. The loan of Funding from Subsidiaries Tai Steel Transport & Logistics and Tai Steel Energy to Subsidiary Yung Fu.	√ √	The proposal has been approved.	None

• Financial report review

The Board of Directors has prepared the Company’s 2024 annual financial statements and financial statements for the first to third quarter of 2025, which have been audited (or reviewed) by PwC Taiwan, and issued an unqualified opinion audit (or review) report. As determined by the Audit Committee, the aforementioned financial statements contain no inconsistencies.

• Assess the independence and suitability of appointed accountants.

Pursuant to the "Corporate Governance Best-Practice Principles", it is necessary to select professional, responsible and independent certified public accountants, and regularly evaluate the independence and suitability of the hired accountants with reference to the Audit Quality Indicators (AQIs), and report the results of the evaluation to the Board of Directors. According to the regulations above, the Company has completed a questionnaire evaluating the independence and competence of accountants, and has not found any circumstances that may affect the independence and competence of accountants. After confirmation, the accountants and their company have no other financial interests or business relationships except for certification and financial and tax case expenses. The accountants' family members also do not violate independence requirements. With reference to the AQI indicators, it is confirmed that the accountants and their firm have better audit experience and training hours than the industry average. The result of the most recent annual assessment was approved at the 19th meeting of the 2nd term Audit Committee on March 9, 2026, and subsequently submitted to the 18th Board of Directors’ 23rd meeting on the same day. A board resolution was then enacted to assess the independence and suitability of the CPAs.

• Material asset transactions

① The Company is optimistic about the operational prospects of investee China Fine Blanking Technology. It reviewed the use of capital increase funds and expected Benefit, and the Audit Committee found them reasonable and feasible.

② To support future operations and development and enhance asset use efficiency, the Company intends to lease its plant and production equipment to Chun Yu Works Co., Ltd., a related party, to create resource sharing. The Company has adopted a cooperation model of order taking and production division of labor with Chun Yu, and is integrating production and sales to enhance the Interest of both parties. The Audit Committee reviewed the details of the assets leased out by the Company, the Assess reports, and the Valuation reports, and found them to be reasonable and feasible.

• Lending of Funding to Subsidiaries

Subsidiary Yung Fu requested a request for lending of funds from the Company to cover the recent incinerator maintenance costs. After reviewing the necessity and reasonableness of the request, the Audit Committee found it to be reasonable.

• Provide endorsement and guarantee for Subsidiaries.

Subsidiary Yung Fu requested a Warranty from the Company for a Loan from a Financial institution to fund the recent incinerator maintenance. After reviewing the necessity and reasonableness of the request, the Audit Committee found it to be justified.

Other Matters to be Recorded:

(1) The following must be reported if the following occur during the course of the Audit Committee's operations: date, term, proposal content, Audit Committee resolutions, and the company's handling of the Audit Committee's opinions.

① Items listed in Article 14-5 of the securities and exchange act: Please refer to the list on page 34 for details.

② Other resolutions not approved by the Audit Committee but enacted by more than two-thirds of all Directors, other than the above: None.

(2) Regarding the execution status of the recusal of independent directors due to conflicts of interest in the proposal, indicate the director's name, proposal content, reason for recusal due to conflicts of interest, and participation in voting: None.

(3) Discussions of independent directors with the internal audit supervisor and CPAs (including major matters, methods, and results of discussions on the Company's finance and business conditions):

① Communication between independent directors and the internal audit supervisor

a. Every month, the Company's internal audit supervisor will submit to the independent directors for review a written summary of audit deficiencies found from the audit in the previous month, as well as a followup on the improvement and correction. The independent directors will give instructions based on the report and provide other suggestions.

b. The Company's internal audit supervisor will hold quarterly meetings with the Audit Committee to report on auditing undertakings and share audit results with independent directors.

c. The Company will convene board meetings at least once per quarter, and the audit supervisor will report to the board of directors on internal audit undertakings.

d. In conclusion, the audit unit's periodic reports provide independent directors with information about the Company's operational status (including financial and business conditions) and the implementation status of the internal control system.

◈Summary of discussions between independent directors and audit supervisors in the most recent year

Date	Matters for reporting and discussion
February 20, 2025 9th meeting of the 2nd audit committee	1. The audit supervisor shall explain to the audit undertakings and audit results to the independent directors.
May 7, 2025 12th meeting of the 2nd Audit Committee	1. The audit supervisor shall explain to the audit undertakings and audit results to the independent directors.
August 6, 2025 13th meeting of the 2nd term audit committee	1. The audit supervisor shall explain to the audit undertakings and audit results to the independent directors.
November 12, 2025 15th meeting of the 2nd term Audit Committee	1. Explained the audit undertakings and audit results to the independent directors. 2. Explain the 2026 audit plan to Directors.

② Communication between Independent Directors and CPAs

CPAs report at least once a year on the Company's financial and business status, and on the financial and overall operational status of its Subsidiaries.

Also, internal control audit results are reported to the Directors, and the CPAs report on the response to recent significant current events and changes.

Regulatory updates were also shared with Directors during the meeting.

◈Summary of discussions between independent directors and CPAs in the most recent year

Date	Participants	Matters to be communicated	Discussion results
March 12, 2025 10th meeting of the 2nd term board. Audit Committee	Independent director Jeff Huang Independent director Chang, Wen-Huai Independent Director Wang, Bing-Chuan Audit Manager Chen, Yi-Jie CPA Tien, Chung-Yu, PwC Taiwan; Associate Director Wu, Tung-Chieh	(1) Explanation of the audit results of the 2024 consolidated and parent company only financial statements: The audit reports for both the consolidated and parent company only financial statements were issued with unqualified opinions. (2) Group Consolidated Financial Statement Audit: An overview of the types of work performed on component financial information and the circumstances under which the work of other auditors was used. (3) Key audit matters for 2024: Entity and consolidated reports: ① Assessment of Allowance for Inventory Obsolescence ② Cut-off of export Sale Revenue (4) Other communications with the auditors	No dispute.
May 7, 2025 12th meeting of the 2nd Audit Committee	Independent director Jeff Huang Independent director Chang, Wen-Huai Independent Director Wang, Bing-Chuan Audit Manager Chen, Yi-Jie Associate Director Wu, Tung-Chieh, PwC Taiwan	(1) Description of the audit results of the consolidated financial statements for the first quarter of 2025: The consolidated review report issued was an unqualified review report. (2) Communication items with the audit committee following review completion: Related party transactions, significant accounting estimates, and subsidiary review opinions. (3) Other communications with the auditors	No dispute.
August 6, 2025	Independent director Jeff	(1) Result of the audit of the consolidated financial statements for the second quarter of 2025: The consolidated review	No dispute.

Date	Participants	Matters to be communicated	Discussion results
13th meeting of the 2nd term audit committee	Huang Independent director Chang, Wen-Huai Independent Director Wang, Bing-Chuan Audit Manager Chen, Yi-Jie, chief accountant Wang, Mei-Yu CPA Tien, Chung-Yu, PwC Taiwan; Associate Director Wu, Tung-Chieh	report issued was an unqualified review report. (2) Communication items with the audit committee following review completion: Related party transactions, significant accounting estimates, and subsidiary review opinions. (3) Other communications with the auditors	
November 12, 2025 15th meeting of the 2nd term Audit Committee	Independent director Jeff Huang Independent director Chang, Wen-Huai Independent Director Wang, Bing-Chuan CPA Tien, Chung-Yu, PwC Taiwan; Associate Director Wu, Tung-Chieh Chief accountant Wang, Mei-Yu	(1) Result of the audit of the consolidated financial statements for the third quarter of 2025: The type of consolidated review report issued was an unqualified review report. (2) Items to be communicated with the Audit Committee at the end of the review stage: Related party transactions, significant accounting estimates, subsidiary review opinions, year-end audit plans, and application of materiality concepts. (3) Other communications with the auditors	No dispute.

(II)-2 Participation of the supervisors in the operation of the Board of Directors: None (the company has set up an Audit Committee to replace all the supervisors)

(III) The implementation of the corporate governance and its deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?"	√		The Company has formulated the "Corporate Governance Best Practice Principles" and has it disclosed on the Market Observation Post System and the Company's website. (The company's website: www.OFCO.com.tw)	The Company will substantiate the relevant provisions of the "Corporate Governance Best Practice Principles" according to actual needs.
II. The company's equity structure and shareholders' equity				
(I) Has the company established internal operating procedures to handle shareholders' recommendations, doubts, disputes, and litigations, and implemented them according to the procedures?	√		(I) The company designates a spokesperson or acting spokesperson or the head of the relevant department as the contact window according to the nature and method of inquiries from shareholders to provide answers by telephone.	No major differences.
(II) Does the company have a list of the major shareholders who actually control the company and those who ultimately have control over the major shareholders?	√		(II) The Company has contracted a professional share registrar and transfer agent to manage Shareholder Interest. The relevant list of major shareholders and those who ultimately have control over the major shareholders are disclosed in accordance with regulations.	
(III) Has the Company established and implemented risk control and firewall mechanisms between the company and the affiliated enterprises?	√		(III) The company and its affiliated enterprises operate in a financially independent manner, and the business and financial transactions with affiliated enterprises is managed the same as that of with other suppliers.	
(IV) Has the company formulated internal regulations to prevent insiders from trading securities using undisclosed market information?	√		(IV) The Company has established Management procedures to prevent insider Transaction. These procedures prohibit intragroup personnel from using non-public information to buy or sell Securities and also prohibit disclosure of such information to others.	
III. Composition and responsibilities of the Board of			(I) The board meeting approved the formulation of the	No major differences.

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
Directors (I) Does the Board of Directors formulate a diversity policy and implementation for the composition of board directors?	√		"Corporate Governance Best Practice Principles" on March 12, 2015. The policy of diversification is stipulated in Chapter 3 "Strengthen the Functions of the Board of Directors". Please refer to page 47 for the Board of directors' diversity status. The policy of board diversity is disclosed on the company's website and Market Observation Post System.	
III. Composition and responsibilities of the Board of Directors (II) Does the company voluntarily establish functional committees in addition to the Remuneration Committee and the Audit Committee? (III) Has the company formulated the "Board Performance Evaluation Measures" and the evaluation methods, conducted a performance evaluation annually, and reported the performance evaluation results to the Board of Directors and applied it as a reference for the consideration of remuneration and nomination of each director?	√ √		(II) In order to implement the Company's sustainable development goals and strengthen sustainable governance, the Sustainable Development Committee was established in June 2024 to be responsible for formulating, promoting and strengthening the Company's sustainable development policies, annual plans and strategies. (III) The Company has established the "board performance evaluation policy" in accordance with regulations and uses it as the basis for indicator evaluation. At the beginning of 2026, the Finance Department conducted a performance Assess of the Board of directors' operations in 2025. The evaluation report was submitted to the Board of directors on March 9, 2026. Evaluation indicators include the degree of participation in the company's operations, the decision-making quality of the Board of Directors, the composition and structure of the Board of Directors, the selection and appointment of board directors, the continuing education of board directors, and internal control. The 2025 Assess result was excellent.	No major differences.

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
(IV) Does the company regularly evaluate the independence of the attesting CPAs?	√		(IV) The company refers to the Audit Quality (AQIs) indicators, and the Audit Committee conducts annual independence and competence evaluations of CPAs based on whether there are significant indirect financial interests, close business relationships or potential employment relationships, whether they serve as defense counsel, and interaction with the management and the internal audit supervisor. The evaluation results are then submitted to the Board of Directors. The most recent assessment was approved by the Audit Committee on March 9, 2026, and subsequently approved by the Board of directors on March 9, 2026. The CPAs of the Company (Tien, Chung-Yu and Hsu, Hui-Yu of PwC Taiwan) meet the Company's evaluation standards. Assess the content on page 48 for details.	
IV. Whether the Company has assigned qualified and appropriate number of corporate governance personnel, and has designated a corporate governance supervisor to be responsible for corporate governance related matters (including but not limited to providing directors and supervisors with information required to perform their duties, assisting directors and supervisors in complying with laws and regulations, and conducting board meetings and operations in accordance with the law)	√		The Company's Board of Directors resolved on August 11, 2021 to appoint the head of the Finance Department as the head of Corporate Governance in order to protect the rights and interests of shareholders and to strengthen the functions of the Board of Directors. Assistant Manager Wang of the Finance Department has over three years of experience as a chief accountant at a public entity. The primary responsibility of the Corporate Governance Officer is to manage matters related to Board of directors and Shareholder meetings in compliance with the law. Including but not limited to providing necessary information to directors to perform responsibilities, handling matters related to board meetings and shareholders, assisting directors and supervisors to take the officer and complete the continuing education, and	No major differences.

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
			assisting directors in complying with laws and regulations. Business activities in 2025 were as follows: 1. Assist independent directors and directors in performing duties, provide necessary information, and arrange the continuing education for directors and supervisors. (1) Provide Board members with information on the latest statutory and regulatory developments related to the Company's business operations and corporate governance upon appointment and update them regularly. (2) Review the confidentiality level of relevant information and provide the Company's information required by the directors to maintain smooth communication between the directors and the Company's business managers (3) When independent Directors need to meet with the internal audit officer and the CPAs individually to understand the Company's financial business needs, the administrative department assisted in arranging meetings. In 2025, the administrative department arranged for independent Directors to have a conference with the CPAs on 3/12, 5/7, and 8/6. (4) Arrangement of continuing education programs and courses for Directors: All Directors completed the statutory continuing education courses in 2025. 2. Assist in the board meeting and shareholders meeting procedures and compliance with resolutions. 3. Prepare the agenda for the Board of Directors, notify all directors and supervisors 7 days before the meeting, and provide meeting materials. If any issue has conflict of interest, give a reminder in advance. Complete the minutes of the Board meeting and distribute them to each director within 20 days after the meeting. 4. Registration for the shareholders' meeting date was	

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
			processed, and the annual general meeting of shareholders was held successfully on June 11, 2025. The meeting notice, agenda handbook, annual report, and meeting minutes were prepared within the statutory time limits. 5. Company registration and amendments: Completed registration of changes, including capital changes and amendments to the Articles of Incorporation, in 2025. 6. Before the first quarter of each year, the Board of Directors will conduct an internal performance evaluation of the operations of the entire board and functional committees in the previous year and submit the evaluation results to the Board of Directors. Completed the 2026 performance Assess report on March 9, 2025.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), special section for stakeholders on the company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	√		The Company's communication with stakeholders such as employees, banks, suppliers and communities is handled by the respective business unit. In addition, the Company entrusts a stock affairs agency to handle institutional shareholder related matters. The Company has a special section for stakeholder setup on the Company's website with the contact information of spokespersons and relevant business departments provided to respond to relevant issues that are of concern to stakeholders, including corporate social responsibility, in a timely manner. The communication with related parties for 2025 was submitted to the Board of Directors on November 12, 2025. For relevant information and communication details, please visit the Stakeholders section of the Company's website (www.ofco.com.tw).	No major differences.

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
VI. Has the company entrusted a professional stock affairs agency to handle shareholders meetings related matters?	√		The Company has appointed a professional stock affairs agency, Capital Securities Stock Agency Department, to handle the affairs of the shareholders' meeting, so that the shareholders' meeting can be held legally, effectively and safely.	No major differences.
VII. Information disclosure (I) Has the company set up a website to disclose finance and business matters and corporate governance information? (II) Has the company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of company information, implementing a spokesperson system, posting the company's investors conference on the website, etc.)?	 √ √		(I) The company has disclosed financial, business, corporate governance, and other relevant information on the website. The Company's website: www.OFCO.com.tw. (II) The Company has an official website in both Chinese and English language to disclose company information in a timely manner, established a public information online declaration operation system in accordance with the regulations of "Guidelines for Online Filing of Public Information by Public Companies", and designated responsible personnel to carry out various data and material information disclosure operations.	■ Enhance the collection and disclosure of information on the company's website as business needs require. No material differences.
VII. Information disclosure (III) Does the Company announce and file its annual financial report within two months after the end of the fiscal year, and announce and file its first, second, and third quarter financial reports and monthly operating results in advance of the prescribed deadline?		√	III. The Company announced and filed its 2026 annual financial report before March 9, 2026, in accordance with relevant laws and regulations, fulfilling the requirement to do so within 75 days of the fiscal year-end. The financial reports for the first, second, and third quarters of 2025 were announced and filed within the legally prescribed time limits.	No major differences.

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
VIII. Does the company have any other important information that helps understand the corporate governance operation (including but not limited to employee rights and interests, employee care, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the acquisition of the liability insurance by the company for directors and supervisors, etc.)?	√		(I) Employee Rights: The Company prioritizes "environmental improvement and safety first" in building an ideal work environment and has protected the legal interest of employees in accordance with the Labor Standards Act. (II) Employee care: The Company has opened up multiple channels for employees to express opinions. (III) Investor relations: The Company has appointed a spokesperson to handle shareholders' suggestions. (IV) Supplier relations: Suppliers are required to comply with codes of conduct related to corporate responsibility, which mainly include environmental safety and health, environmental protection and other issues. (V) Rights of stakeholders: Stakeholders may communicate with the Company and make suggestions to safeguard their legitimate rights and interests. (VI) Further Education for Directors of the Company: The Company has not required Directors to take professional knowledge courses, but actively encourages their participation. All Directors have completed their director training for 2025. Their director training progress is disclosed in the Market Observation Post System and this annual report (please refer to page 77 of this annual report).	No major differences.

Evaluation items	The State of Operations			Deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary description	
			(VII) Implementation of Customer Policy: The Company's customers are primarily export customers. We have maintained stable and positive relationships with them through consistent email communication, regular visits during overseas exhibitions, and invitations to our company for reciprocal exchanges. These interactions have allowed us to understand customer needs and we frequently conduct technical discussions with them, which has helped to increase Company Profit. (VIII) Circumstances in which the Company has purchased liability insurance for directors: The Company has purchased directors' liability insurance.	No major differences.
IX. Please explain the improvements that have been made based on the corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and propose priority improvement items and measures for those that have not yet been improved.	√		Improvements proposed for the12th term (2025) corporate governance evaluation results: Items that have been improved or are expected to be improved in 2026, or have yet to be improved, along with enhancements and measures taken: •Indicator 1.3: Does the company's chairman, more than half of the directors, and the convener of the audit committee personally attend the annual shareholders' meeting, and is the attendance list disclosed in the minutes? Directors will be encouraged to attend the 2026 shareholders' meeting as much as possible. •Indicator 1.6: Will the company hold its annual shareholders' meeting before the end of May?The 2026 annual shareholders' meeting will be held on May 26 •Indicator 2.14: Does the company have a nomination committee? A nomination committee will be established in 2026.	No major differences.

Board Diversity

1. On March 12, 2015, the Board of Directors approved the Enactment of the "Corporate Governance Best Practice Principles." In Chapter 3, the functions of the Board of Directors were strengthened, and a diversity policy was established, clearly stating that the Board of Directors as a whole should possess behavioral ability, accounting and financial Analysis ability, business Management ability, crisis Management ability, industry knowledge, international market perspective, leadership ability, and decision-making ability. The composition of the board of directors shall take diversity into account, and appropriate diversification policies should be formulated for board members based on the board's own operations, operational models and development needs, including basic conditions and values (gender, age, nationality and culture) and professional knowledge and skills (such as law, accounting, industry, finance, marketing, or technology).

   The specific management objectives and achievement of the Company's diversification policy are as follows:

Diversify the specific management goals	Status of achievement
The Board of Directors should include at least one female director.	One female director has been appointed, which has achieved the goal of gender equality.
The number of directors who also serve as company managers should not exceed one-third of the Board seats.	No such situation
At least one-third of the directors must have industry, marketing or technology expertise.	Among the Board members, four have financial accounting backgrounds, two have legal backgrounds, and all have experience in industry-related management positions.
At least one-third of the independent directors must have legal, accounting or technical expertise.	Among the independent directors, one has a financial accounting background and two have a legal background.

2. Diversity of the 18th Board of Directors (took office on June 14, 2023)

   The Company's current Board of Directors consists of a group of 9 Directors (with 8 Directors actually in office as of the end of 2026), including 3 independent Directors. These members possess extensive experience and expertise in finance, business, law, and Management.

   All Directors of the Company are nationals of this country. The Board of directors' composition includes three independent Directors (representing 37.5% of all directors). In addition, the Company has prioritized gender equality in the composition of the Board of directors. Currently, one of the eight Directors is female, representing a ratio of 12.5%.

   All independent directors have served no more than 3 consecutive terms, and all independent directors have met the requirements of the Securities and Futures Bureau, FSC.

   The relevant implementation is as follows:

Title	Name	Nationality	Gender	Length of service of independent directors			Part-time employee	Professional skill				Professional knowledge					
				Under 3 years	3-9 years	Over 9 years		Leadership and decision-making	Asset Management	Industrial knowledge	Business management	Finance and accounting	Laws	Securities investment	Information technology	News media	Risk management
Chairman	James Huang	R.O.C.	Male					√	√			√		√			√
Director	Chen, Cheng-Wen	As above	Male					√			√		√				√
Director	Wu, Mei-Hui	As above	Female						√							√	
Director	Chen, Hsiang-Lin	As above	Male					√		√	√						
Director	Chen, Chi-Tai	As above	Male					√	√	√	√	√					√
Independent Director	Jeff Huang	As above	Male		√			√	√			√		√			√
Independent Director	Chang, Wen-Huai	As above	Male		√			√	√				√				√
Independent Director	Wang, Bing-Chuan	As above	Male	√									√		√		

•Evaluation of CPA's Independence and Suitability

One. Independence evaluation

Item	Evaluation content	Please check			Whether the compliance of independence is met?
		Yes	No	N/A	
01	The CPAs or the auditing members and their family members (including spouses, cohabitants, and minor children), the attesting CPA firm, and the affiliated enterprises of the attesting CPA firm do not have a direct or material indirect financial interest relationship with the company.	✓			Yes
02	The attesting CPA firm and the affiliated enterprises of the attesting CPA firm do have a financing or guarantee operation conducted with the company.	✓			Yes
03	The CPAs, the attesting CPA firm, and the affiliated enterprises of the attesting CPA firm do not provide any non-audit service to the company that may affect their independence.	✓			Yes
04	The CPAs or the auditing members have not served as directors or managerial officers of the company or assume positions that have a material impact on audit cases currently or in the last two years.	✓			Yes
05	The CPAs or the auditing members have not promoted or brokered the shares or other securities issued by the company.	✓			Yes
06	The CPAs or the auditing members have not represented the company in legal defense or other disputes except for the business services permitted by law.	✓			Yes
07	The CPAs and the attesting CPA firm have no business relationship or potential employment relationship with the company.	✓			Yes
08	The CPAs or the auditing members have no relationships such as spouses, lineal blood relatives, lineal relatives by marriage, or relatives within the second degree of kinship with the company's directors, managerial officers, or personnel in the positions that have a significant impact on the audit cases.	✓			Yes
09	The co-location CPA has not served as the director or managerial officer of the company, or assumed a position that has material impact on the audit cases within one year after resigning from the CPA firm.	✓			Yes
10	The CPAs or the auditing members have not accepted valuable gifts or special offers from the company, directors, managerial officers, or major shareholders.	✓			Yes
11	The CPAs have not provided audit services to the company for seven consecutive years.	✓			Yes
12	Have the CPAs had their substantial independence maintained at the time of providing audit, inspection, review, or special review of financial reports with an opinion formed?	✓			Yes

13	Are the auditing members, co-location CPA or shareholders of incorporated CPA firm, CPA firm, affiliated enterprises of the CPA firm, and joint CPA firm operated independently from the company?	✓			Yes
14	Has the CPA maintained a fair and objective position when performing professional services, and avoided prejudice, conflicts of interest or stake affecting professional judgment?	✓			Yes
Two. Competence evaluation					
Item	Evaluation content	Please check			Whether the compliance of suitability is met?
		Yes	No	N/A	
01	Do senior auditing members have sufficient audit experience to perform the review work?	✓			Yes
02	Have the CPAs and senior auditing members received sufficient education and training every year to obtain professional knowledge and skills continuously?	✓			Yes
03	Has the CPA firm maintained experienced human resources?	✓			Yes
04	Has the CPA firm had sufficient professionals (such as appraisers) to support the audit team?	✓			Yes
05	Are CPAs free from overloading at work?	✓			Yes
06	Are the auditing members engaging in each audit phase adequately?	✓			Yes
07	Are the CPAs responsible for “Engagement Quality Control Review” (EQCR) spent enough time to review the audit cases?	✓			Yes
08	Does the CPA firm have sufficient quality control manpower to support the audit team?	✓			Yes
09	Is the ratio of non-audit fees influential to the independence?	✓			Yes
10	Is the audit case influential to the independence of the CPA firm in the cumulative financial reports audited?	✓			Yes
11	For the external inspection deficiencies and punishments, is the CPA firm’s quality control and audit cases properly handled in accordance with relevant laws and regulations and standards?	✓			Yes
12	For the corrective actions requested by the competent authorities in writing, is the CPA firm’s quality control and audit case properly handled and responded to in accordance with relevant laws and regulations and standards?	✓			Yes
13	Is the CPA firm committed to improving audit quality, including the CPA firm’s innovation capability and planning?	✓			Yes
14	Has the CPA firm notified the Board of Directors (Audit Committee) of any significant issues and developments in risk management, corporate governance, financial accounting, and related risk control in a timely manner?	✓			Yes
Three. Audit performance evaluation (those who tick “No” for any of the following items should further understand the specific facts)					
Item	Evaluation content	Please check			Note
		Yes	No	N/A	
01	Have the CPAs completed the review of the company’s quarterly reports and annual reports in a timely manner with the first draft of the audit opinion formed?	✓			
02	Have the CPAs interacted adequately with the company’s management (internal auditors, etc.) with records kept?	✓			
03	Have the CPAs interacted with the Audit Committee appropriately with records kept while reporting the audit plans?	✓			
04	Have the CPAs interacted with the Audit Committee appropriately with records kept before issuing the audit opinion?	✓			
05	Have the CPAs made positive suggestions with records kept on the company’s	✓			

	accounting system or internal control system?				
06	Have the CPAs regularly kept the company updated on the relevant laws and standards that should be followed in the preparation of financial reports?	✓			
07	Are the independent auditors rotated frequently?	✓			
08	Are the CPAs able to promptly and adequately assist the company in answering the questions raised by the competent authorities, and assist in the communication and coordination between the company and the competent authorities?	✓			
09	Are the fees of the CPAs reasonable enough for them to perform their duties adequately?	✓			

Four. Other supplementary matters: None

Five. Assessment results are as follows:

1. Through the above assessment, it is confirmed that the CPAs and the Company have no other financial interests and business relationships except for the fees for audit engagement and financial and taxation, and the CPAs and its firm members do not violate the independence requirements. With reference to the AQI indicator information, it is confirmed that the CPAs and the firm have better audit experience and training hours than the industry average. In addition, in recent years, they have continued to introduce digital audit tools to improve audit quality. The professional backgrounds of Tien, Chung-Yu and Hsu, Hui-Yu of PwC Taiwan are appropriate for the position, and their relationship with the Company does not violate the principle of independence.

   The independence of the CPAs from the Company has complied with the Accountant Act of the Republic of China, the Code of Professional Ethics for Accountants, and relevant regulations of the US SEC and PCAOB.
2. Declaration of independence issued by the CPAs was acquired.
3. The Result of the most recent annual assessment of engagement accountant's independence and suitability was submitted to the Audit Committee for review on March 9, 2026, and submitted to the Board of directors for discussion and approval on March 9, 2026.

(IV) The composition, duties and operation of the Remuneration Committee:

1. Information on the Remuneration Committee members

Conditions Name Identity	Professional qualifications and experience	Independence	Number of concurrent independent director posts to other public companies
Jeff Huang / Independent Director, Convener	1. Graduated from Department of Land Economics, National Chung Hsing University 2. Regional Manager, Ta Chong Commercial Bank, Vice President, Taishin Securities Investment Trust Co., Ltd., Vice President, Taiwan Indigena Botanic Co., Ltd. Supervisor, Hearts & Mirrors Investment Co., Ltd. 3. There was none of the situations specified in Article 30 of the Company Act.	(1) The director or supervisor is not an employee of the Company or its affiliated enterprises. (2) The director or supervisor is not a director or supervisor of the Company or its affiliated enterprises (except for concurrent independent directors of the Company and its parent company, subsidiaries, or subsidiaries of the same parent company set up in accordance with this Act or local laws and regulations). (3) The director or supervisor does not hold more than 1% of the total issued shares of the Company in his/her or his/her spouse's or minor children's or another person's name, nor is a top ten individual shareholder. (4) A person who is not a manager listed in (1) or a spouse, relative within the second degree of kinship, or a direct blood relative within the third degree of kinship of a person listed in (2) or (3). (5) Directors, supervisors, or employees of a Shareholder who do not directly hold more than 5% of the company's issued shares, are among the top five Shareholders, or have had a representative designated to serve as a Director or supervisor according to Article 27, Paragraphs 1 or 2 of the Company Act (but this does not apply to independent directors appointed by the company and its parent company, Subsidiary, or a Subsidiary of the same parent company in accordance with this Act or local laws and regulations). (6) A director, supervisor or employee of another company whose director seats or voting shares with the Company are not controlled by the same person (but this does not apply to independent directors appointed by the Company or its parent company, subsidiary or subsidiary of the same parent company in accordance with this Act or local laws and regulations). (7) A director (council member), supervisor (auditor), or employee of another company or organization who is not the same person or spouse of the Company's Chairman, general manager, or person of equivalent position (however, this limitation does not apply to independent directors appointed by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with this Act or local laws and regulations). (8) A director (council member), supervisor (auditor), manager, or Shareholder holding 5% or more of the Share of a specific company or Agency that does not have financial or business dealings with the Company; however, this restriction does not apply if a specific company or Agency holds more than 20% but not more than 50% of the total issued shares of the Company, and is an independent director appointed by the Company and its parent company, Subsidiary, or Subsidiary of the same parent company in accordance with this Act or local laws and regulations. (9) Professionals, sole proprietors, partnerships, owners, partners, directors, supervisors, managers and their spouses of companies, corporations or institutions that do not provide audit services to the Company or its affiliated companies or that have received remuneration for business, legal, financial, accounting or other related services of which the cumulative amount in the last two years does not exceed NT$500,000. However, this does not apply to members of the Remuneration Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their duties in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Business Mergers and Acquisitions Act. (10) The director or supervisor has no spouse or second-tier relative relationship with other directors.	0
Chang, Wen-Huai/ Independent Director	1. Graduated from Graduate Institute of China Studies, Tamkang University 2. Assistant to the Chairman's Office, Chung Houng Construction Co., Ltd., Special Assistant to the Consultant of the Chairman's Office, 85 Sky Tower Hotel Co., Ltd. 3. There was none of the situations specified in Article 30 of the Company Act.		0
Wang, Bing-Chuan/ Independent Director	1. Bachelor's degree, Department of Justice, National Taipei University, and studied at Law School, National Taiwan University 2. Independent Director of United Fiber Optic Communication Co., Ltd.; Chief Legal Officer of D-link corporation; Legal Manager of Taiwan Steel & Mining Corporation; Independent Director of AMIGO TECHNOLOGY INC., Independent Director of King House Co., Independent Director of Golden Win International CORP.; Independent Director of King Yun international co., ltd. 3. There was none of the situations specified in Article 30 of the Company Act.		3

2. Responsibilities and powers of the Remuneration Committee:
   (1) Regularly review the “Remuneration Committee Charter” and propose commendations for amendments.
   (2) Formulate and regularly review the annual and long-term performance targets and remuneration policies, systems, standards and structures of the Company's directors and managers.
   (3) Regularly evaluate the achievement of performance targets by the Company's directors and managers, and determine the content and amount of their individual remuneration.
3. Information on the operation of the Remuneration Committee:
   (1) The Company's Remuneration Committee consists of 3 members.
   (2) Term of office for the current (5th) term of Remuneration Committee members: August 9, 2023 to June 13, 2026.
   (3) The Remuneration Committee held three meetings (A) in the most recent fiscal year (2025). The membership and attendance of the committee members were as follows:

Title	Name	Actual attendances (B)	Attendances by proxy	Attendance in person (%) (B/A) (Note)	Remarks
Convener	Jeff Huang	2	0	67%	Independent Director
Committee Member	Chang, Wen-Huai	3	0	100%	Independent Director
Committee Member	Wang, Bing-Chuan	3	0	100%	Independent Director

4. The Remuneration Committee held meetings, reviewed and evaluated the Company's remuneration information in the past year as follows

Term and time of the meeting	**Motion content and subsequent actions**	**Resolutions**	**The company’s handling of the opinions of the Remuneration Committee**
6th meeting of the 5th term January 2, 2025	• Proposal for the 2024 distribution of year-end bonus to managerial officers and the salary adjustment proposal for 2025. • Compensation proposal for the new General Manager and Chief executive officer.	Approved by the Committee members unanimously.	Approved by the Board directors present unanimously.
7th meeting of the 5th term March 12, 2025	• Personnel and compensation adjustment proposal.	Approved by the Committee members unanimously.	Approved by the Board directors present unanimously.
8th meeting of the 5th term August 6, 2025	• Revised some provisions of the Board of directors performance evaluation policy.	Approved by the Committee members unanimously.	Approved by the Board directors present unanimously.

Other Matters to be Recorded:

1. If the Board of Directors declines to adopt or amend the recommendation of the Remuneration Committee, it shall state the date, period, content of the proposal, resolution of the Board of Directors, and the Company's handling of the opinion of the Remuneration Committee (if the remuneration approved by the Board of Directors is better than the recommendation of the Remuneration Committee, the difference and reason shall be stated): No such situation.

2. In the event of any objection or reservation by a member to the Compensation Committee’s resolutions, supported by a record or written statement, the following information must be stated: the date, session number, agenda item content, opinions of all members, and how those opinions were addressed.

   None.

(V) The composition, responsibilities and operation of the Sustainable Development Committee are as follows:

1. Establishment of the committee

   To advance its sustainable development goals, strengthen sustainability governance, and promote corporate social responsibility and sustainable business philosophy, the Board of directors enacted the appointment of three independent directors as members of the Sustainable Development Committee on June 20, 2024, forming the first Sustainable Development Committee. The term of office for committee members began on June 20, 2024, and will continue to June 13, 2026.

2. Duties of the committee

   (1) Formulate, promote and strengthen the Company's sustainable development policies, annual plans and strategies.

   (2) Review, track and revise the implementation status and effectiveness of sustainable development.

   (3) Supervise the disclosure of sustainable information and review the sustainability report.

   (4) Supervise the implementation of the Company’s sustainable development best practice principles or other sustainable development related works approved by the Board of Directors

3. Sustainable Development Committee

   The Sustainable Development Committee ensures the promotion of the Company's sustainable development-related work and sets up a part-time unit for sustainable development - the Sustainable Development Promotion Group to assist the Sustainable Development Committee in implementing various plans. The Sustainable Development Promotion Group shall have one chairman who shall be the Chairman of the Board of Directors. The Sustainable Development Promotion Group covers the following group tasks and reports the implementation of sustainable development to the committee:

   (1) Corporate Governance Group: Responsible for regulatory compliance of corporate governance, formulating reasonable compensation policies and employee performance appraisal systems, education and training, and stakeholder communication mechanisms to achieve the goal of sustainable development.

   (2) Sustainable Environment Group: Responsible for the environmental Management system, compliance with environmental regulations and international standards, Assess of sustainable transformation, improvement of resource utilization rate, climate change response mechanism, and establishment of environmental management dedicated unit or personnel to achieve the goal of environmental sustainability.

   (3) Social Welfare Team: Responsible for human rights management policies and procedures, compliance with human rights-related laws and international standards, establishing internal and external communications among all members of the organization (such as employees, subsidiaries, etc.) and key members of the value chain, assessing relevant risks and management mechanisms, and promoting community and cultural development to achieve the goal of sustainable operations.

   (4) Sustainability Information Disclosure Team: Responsible for the sustainability information management policy, compliance with relevant laws and regulations and international

standards for sustainability information disclosure, and fully disclosing relevant and reliable sustainability information to enhance the transparency of sustainability information.

4. Committee members

Name and identity	Professional qualifications and experience
Independent Director Jeff Huang (convener)	1. Graduated from Department of Land Economics, National Chung Hsing University 2. From 1985 to 1987, he worked for a real estate appraisal company. From 1987 to 2005, he worked for several commercial banks. From 1999 to 2005, he served as a Regional Manager at Ta Chong Bank Co., Ltd. From 2010 to 2014, he served as Deputy General Manager of Taishin Securities Investment Trust Co., Ltd. In April 2016, he served as Deputy General Manager of Taiwan Native Medicinal Plant Co., Ltd. He currently serves as a Supervisor of Zong Jing Investment Co., Ltd. 3. Possess professional capabilities in accounting, finance, investment, risk management, etc.
Independent Director Chang, Wen-Huai	1. Graduated from Graduate Institute of China Studies, Tamkang University 2. From 2013 to 2017, he served as Assistant to the Chairman at Chang Hong Construction Co., Ltd., and from 2013 to 2018, he served as Consultant and Special Assistant to the Chairman at Jun Hong International Hotel Co., Ltd. 3. Possess professional capabilities in law, risk management, etc.
Independent Director Wang, Bing-Chuan	1. Bachelor’s degree, Department of Justice, National Taipei University, and studied at Law School, National Taiwan University 2. Independent Director of United Fiber Optic Communication Inc. From April 2004 to May 2006, he served as a clerk in the Legal Affairs Department of Chunghwa Commercial Bank. From January 2007 to May 2007, he served as a legal specialist at Presicarre Corporation. From July 2020 to September 2021, he served as the Chief Legal Officer of D-Link Corporation. From May 2011 to June 2012, he served as the Legal Manager of Taiwan Steel & Mining Corporation. 3. Possess professional capabilities in law, risk management, etc.

5. Attendance of committee members in 2025

The Sustainable Development Committee held two meetings in 2025. Attendance was as follows:

Title	Name	Number of actual attendance	Attendances by proxy	Actual attendance rate (%)	Remarks
Convener	Jeff Huang	2	0	100%	Independent Director
Committee Member	Chang, Wen-Huai	2	0	100%	Independent Director
Committee Member	Wang, Bing-Chuan	2	0	100%	Independent Director

6. Information on committee meetings in 2025.

Term and time of the meeting	Motion content and subsequent actions	Resolutions	The Company's Board of Directors' handling of the committee's opinions
3rd meeting of the 1st term August 6, 2025	• Completed the 2024 Sustainability Report. Regarding the sustainability report	Approved by the Committee members unanimously.	Approved by the Board directors present unanimously.
4th meeting of the 1st term November 12, 2025	• Sustainable Development forecasts for 2026.	Approved by the Committee members unanimously.	Approved by the Board directors present unanimously.

7. Supervision and reporting of the Board of Directors

(1) The Company reported to the Board of Directors on December 23, 2025, on the sustainable development implementation status in 2025, and the plan for preparing the 2025 sustainable report and conducting the greenhouse gas inventory.

The Board of Directors periodically receives reports from the management team (including ESG reports) and urges the management team to make adjustments when necessary.

(2) Promotion and implementation of sustainable development

✦Risk assessment of ESG material issues

OFCO follows the GRI standards issued by the Global Reporting Initiative (GRI), discloses information in accordance with the general standards and thematic standards, and responds to the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”, “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”, the United Nations Sustainable Development Goals (SDGs) and the Task Force on Climate-related Financial Disclosure (TCFD) and the industry standards of the Sustainability Accounting Standards Board (SASB) and other domestic and international standards and specifications, identifies topics related to operations and sustainable development goals, and identifies possible annual sustainability issues. Through discussions with Management on the impact and probability of social, environmental, and corporate governance sustainability issues on the Company, and incorporating feedback from Related parties on their level of concern about each sustainability issue, we determined the material topics for the year. We then formulated risk management policies for effective identification, Measurement, Assess, supervision, and control, and took specific action plans to reduce the impact of related Risk. There were no material changes in the Company's operations in 2025, so the material topics identified in 2024 were carried forward as the major topics for this year.

Assessment period: January 1 to December 31, 2025.

Assessment boundaries: The environmental and social boundaries mainly included operations and activities related to the fastener core business, but did not include the four Subsidiaries.

(VI) Composition, responsibilities and operation of the Nomination Committee: The Company has not yet established a Nomination Committee.

(VI) Implementation of sustainable development and deviation from the Corporate Sustainability Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Promotion items	Implementation status			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons
	Yes	No	Summary description	
I. Has the Company established a governance structure to promote sustainable development, and designated a full-time (part-time) unit to promote sustainable development, which is to be handled by the senior management with the authorization of the Board of Directors, and the actual supervision of the Board of Directors?	√		1. The Board of Directors of the Company approved the establishment of the Sustainable Development Committee on June 20, 2024, consisted of three independent directors who were responsible for promoting corporate social responsibility and implementing the concept of sustainable operation. 2. To continue to promote sustainable development business, the Sustainable Development Committee has established a sustainable development promotion task force led by a chairman who is also the Directors' chairman. The task force includes four cross-departmental functional task force groups responsible for different businesses and annual project work, ensuring that sustainable development actions are integrated into the Company's daily operations. The committee regularly tracked results and proposed optimization or improvement plans for the following year. 3. For the composition, operation, and 2026 implementation of the Company's Sustainable Development Committee, please refer to pages 53–55. 4. On December 23, 2025, the Sustainable Development Committee reported to the Board of Directors: (1) Sustainable Development Implementation Report for 2025. (2) Schedule for the preparation of the 2025 Sustainability Report and greenhouse gas inventory planning. 5. The Board of Directors listens to reports from the management team from time to time and urges the management team to make adjustments when necessary. 6. On November 12, 2025, the Company reported to the Board of Directors on communication with stakeholders in 2025. 7. Please refer to page 55 for Board of directors oversight.	No material difference
II. Does the company conduct risk assessment on environmental, social and corporate governance issues related to the company's operation in accordance with the principle of materiality, and formulate relevant risk management policies or strategies? (The principle of materiality is about the material	√		1. The Company's 2024 Sustainability Report covers its sustainable development performance at its major locations from January to December 2024. The boundary of risk assessment is mainly based on the Company. 2. According to the GRI guidelines, the United Nations Sustainable Development Goals (SDGs), and issues of concern to the steel industry, the economic, social and environmental sustainability issues are compiled and analyzed according to the principle of materiality in the sustainability report. For stakeholder communication, consider the level of organizational impact and level of stakeholder concern to assess material ESG issues of materiality, and formulate risk management policies and specific action plans for effective	No material difference

Promotion items	Implementation status			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons
	Yes	No	Summary description	
impact of environmental, social, and corporate governance issues on the Company's investors and other stakeholders.)			identification, measurement, monitoring, and control. In order to reduce the impact of related risks. 3. Based on the materiality principle, we assess risks related to environmental, social, or corporate governance issues concerning the Company's operations and formulate relevant risk Management policies or strategies. Please refer to pages 66.	
III. Environmental issues (I) Has the company set up an appropriate environmental management system based on the industrial characteristics?	√		The Company prohibits the use of legally regulated hazardous substances during production to reduce the impact on the environment. The Company continues to obtain the ISO14001 environmental management system certification and is committed to the promotion of quality and environmental management systems. The Company completed the ISO 14064-1 greenhouse gas emissions inventory and verification for fiscal year 2025 in April 2026, as part of its efforts to achieve short- and long-term goals for low-carbon production and environmental sustainability. The filing, cleanup and transportation of air pollution, wastewater and waste in the factory are handled in accordance with various government regulations. The Company's Qiaotou Plant and Ziguan Plant have obtained ISO 14001:2015 Environmental Management System Certification and continue to pass third-party verification. The certificate is valid until December 18, 2025.	No material difference
(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?	√		The company for the purpose of having resources used effectively has water resources on site recycled, and enhances garbage sorting and processing to have resources reused and to minimize the impact on the environment. TSG Environmental Technology Corp., the subsidiary, has a professional waste disposal license for a main business operation of iron and steel waste removal, recycling, and reuse, and that is how it makes contribution to the efficient use of renewable energy.	No material difference
(III) Does the company evaluate the potential risks and opportunities of climate change to the company now and in the future, and adopt relevant countermeasures?	√		The climate change policy is to manage carbon emission for the achievement of "carbon neutrality" and set the carbon reduction objective of the future factory for a low-carbon economy in order to reduce the impact of the Company's operating activities on climate change. TSG Environmental and TSG Power, Subsidiaries of the company, each have expertise in resource recycling and reuse and green energy research and development, providing corporate waste recycling and removal services to Entities. Countermeasures: (1) Water resources: Water resources are relatively uncontrollable due to abnormal climate. It is necessary to plan for the improvement of the efficiency of water	No material difference

Promotion items	Implementation status			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons
	Yes	No	Summary description	
			resources in use in order to achieve the objective of zero waste water discharge. (2) Air pollution: Various air pollution prevention and control measures are planned for the screw production line according to the characteristics of its exhaust gas. Set up multiple dust collection equipment to reduce fugitive emissions, reduce discharges, and enhance environmental protection treatment facilities in order to prevent polluting water, air, and land. (3) Total weight of waste: With the goal of reducing waste and recycling waste, we actively reduce the total amount of waste by reducing environmental pollution through source management measures such as computer monitoring during the production process and reducing the loss of raw materials.	
(IV) Does the company make statistics on greenhouse gas emissions, water consumption, and the total weight of waste for the last two years and formulate policies for greenhouse gas reduction, water consumption reduction, or other waste management?	√		1. Greenhouse gas The Company has conducted ISO 14064- 1:2018 greenhouse gas inventory for four consecutive years from 2022 to 2025 and obtained third-party verification from the British Standards Institution (BSI). 2. Greenhouse gas emissions coverage for the last two years: Scope 1 to Scope 4 for 2023–2025, covering the entire company and main processes (Qiaotou Plant + Ziguan Plant). 3. The Company has tallied greenhouse gas emissions, water consumption, and total waste weight for the past two years and has obtained third-party verification of this data. It has also enacted policies for energy saving and carbon reduction, greenhouse gas reduction, and other waste Management. Please refer to page 65 or the Company's website (www.ofco.com.tw) for details.	No material difference
IV. Social issues (I) Has the company formulated relevant management policies and procedures according to the governing laws and regulations and the International Bill of Human Rights?	√		In fulfilling its corporate social responsibility and commitment to human rights protection, the Entity recognizes and voluntarily adheres to internationally recognized human rights standards, including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Ten Principles of the UN Global Compact. We respect the protections outlined in human rights conventions and strictly observe the Government's labor laws and regulations. We treat and respect our employees and collaborative vendors with dignity, prohibiting any acts that infringe upon or violate human rights. This commitment to protecting human rights is clearly stated in our human rights policy, work rules, and social responsibility management manual, all of which are published on the Entity's website.	No material difference

Promotion items	Implementation status			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons
	Yes	No	Summary description	
(II) Does the company formulate and implement reasonable employee welfare measures (including salary and remuneration, vacation and other benefits, etc.), and properly reflect business performance or results in employee salary and remuneration?	√		1. The Company has established comprehensive personnel management measures such as salary, attendance, vacation, etc., implemented reasonable employee welfare measures, and established a "Remuneration Committee" to review the salary remuneration and salary structure of the Company's directors and managers. 2. Adequately reflecting business performance or results in employee remuneration: It is clearly stipulated in the Company's "Articles of Incorporation" to "appropriate an amount equivalent to 1%~3% of the profits, if any, as employees' remuneration. In 2025, demand for the steel industry was sluggish, and the fastener core business incurred an operating loss, resulting in no provisions for employee compensation. 3. Diversification and equality at the workplace: We substantiated the "equal pay for equal work" salary conditions and equal promotion opportunities for male and female employees. Considering gender equality, female employees are entitled to the same promotion opportunities as male employees. 4. Please refer to page 108 onwards for details on other employee welfare measures and their implementation status in 2025.	No material difference
(III) Has the company provided employees with a safe and healthy working environment, and arranged safety and health education regularly for the employees?	√		1. Occupational safety and health management system: In accordance with the provisions of the Occupational Safety and Health Act, the Company establishes and promotes the implementation of an occupational safety and health management system, provides safe and healthy working conditions, complies with occupational safety and health related laws and requirements, eliminates hazards and reduces occupational safety and health risks, and promotes employee occupational safety and health consultation and participation. The Company's Qiaotou Plant ISO 45001:2018 certification in April 2023, and it is currently valid through April 29, 2026. 2. Safety and health education and training: In accordance with the Labor Standards Act, the Company provides safety and health education to employees once a month and conducts health checks on employees every year to understand their health conditions. In 2025, two labor safety and health education courses were held, with a total of 20 participants in each course. For the Company's other employee safety and health measures and their implementation, please refer to page 110.	No material difference
(IV) Does the company have an effective career development training program planned for employees?	√		The company implements internal and external training according to the annual training plan every year. The Company has established an effective professional training plan for employees to enhance their career development capabilities. Please refer to page 109 for the 2025 employee education and training programs.	No material difference

Promotion items	Implementation status			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons
	Yes	No	Summary description	
(V) Does the company comply with relevant laws and international standards, and formulate relevant right and interest protection policies and grievance procedures for issues such as customer health and safety, customer privacy, and marketing and labeling of products and services?	√		The company formulates industry-related regulations in accordance with government laws and international standards to ensure the quality of products and services without committing any deceit, misleading, fraud, or any act that is detrimental to consumer rights. The Company has formulated relevant protection policies and grievance procedures for customers' rights and interests, and there is an obstacle-free channel available for customers to file a complaint.	No material difference
(VI) Has the company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, and labor rights with the implementation monitored?	√		The Company for complying with the related substance regulations has clearly communicated to the suppliers the requirements of the environmental protection related substance regulations. The suppliers are requested to promise not to directly or indirectly deliver materials that violate this regulation to the company through a third-party. In 2024 and 2025, no complaints were filed through the formal supplier complaint mechanism, indicating good cooperation and communication with suppliers. The Company has continued to move towards creating a stable, win-win, and sustainable supply chain.	No material difference
V. Does the company refer to the internationally accepted reporting standards or guidelines to prepare the sustainability reports for disclosing the company's non-financial information? Are the aforementioned sustainability reports with the assurance or guarantee opinions of a third-party verification unit obtained?	√		The Company has completed the preparation of the 2024 Sustainability Report in accordance with internationally recognized reporting standards or guidelines and obtained an assurance opinion from a third-party assurance provider (PwC Taiwan).	The Company plans to obtain the assurance or guarantee opinion of a third-party verification unit in the coming year.
VI. If the Company has the sustainable development best practice principles formulated in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe the differences between its operation and the principles: The Company has established the "Sustainable Development Best Practice Principles" and implemented them without deviation.				
VII. Other important information that helps understand the promotion of sustainable development: (1) Environmental protection: The company for the sake of fulfilling the social responsibility in protecting the Earth environment prohibits the use of all hazardous substances in production that are regulated by laws and regulations, and conveys the relevant information to all departments in order to ensure that the company's products meet customer requirements. The Company continues to improve environmental pollution, energy and resource conservation, waste reduction, and other hazards and resistance prevention in order to reduce potential environmental risks. The company has obtained ISO14001 certification since April 2011 successively; also, many employees have obtained Class A (or Class B) air pollution prevention and control certificates and Class A waste treatment technician certificates. The				

Promotion items	Implementation status			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons
	Yes	No	Summary description	
company has properly managed air, waste, and other environmental issues to reduce its impact on the environment, and has provided a healthy and comfortable living environment for the company's employees and nearby residents in order to achieve the company's sustainable operation objective. (2) Community relations: The Company sponsors the neighborhood office where it is located to organize community activities (Mother's Day, Double Ninth Festival, etc.), and donates daily necessities to elderly people living alone. (3) Consumer rights: Most of our customers are international manufacturers. We provide after-sales consultation services, defective product complaint handling procedures, and product liability insurance to protect the rights of our customers. (4) Safety and Health: Regular occupational safety and health training was provided to employees. Two sessions were held in 2025 with a total of 20 participants, amounting to 60 hours of training. Each plant conducts fire drills twice a year to enhance employees' self-protection capabilities and reduce accidental disaster losses, so as to jointly protect the safety of residents' lives and properties. (5) Social welfare: ①$50,000 in scholarships has been donated to students from remote villages for the 2025 academic year, helping them continue their education without financial worry. ②This was the fourth blood donation event held in 2025. Nearby Entities and residents were invited to participate in the charitable drive, resulting in a total collection of 40 bags of blood. ④To promote energy conservation and carbon reduction and in response to the Government's environmental protection policies, the Company donated LED tubes to the Kaohsiung Fengshan District Office Live Center through the Kaohsiung City Environmental Protection Bureau in September 2025, helping the center reduce carbon emissions by 3,790 (kgCO2e/year) annually. ⑤Cooperate with Qiaotou District Office to strengthen corporate disaster prevention In June 2024, we signed a memorandum of understanding with the Qiaotou District Office to strengthen corporate disaster prevention cooperation. Both parties will participate in each other's disaster drills to enhance residents and the Company's employee disaster prevention awareness and escape skills, and improve the safety of life and property of both parties.				

(VII) Implementation of climate-related information

Item	Implementation status
I. Describe the Board and management's oversight and governance of climate-related risks and opportunities	In accordance with the Sustainable Development Best-Practice Principles, the Sustainable Development Committee assessed the potential risks and opportunities posed by climate change to the Entity in the present and the future, and advised on the relevant countermeasures to be taken. The committee has reported annually to the Board of directors on the proposal and implementation of sustainable development policy, systems, or related Management guidelines and concrete promotion plans. The Board of Directors serves as the highest supervisory unit for climate change risk governance, responsible for reviewing and formulating climate strategies. The General Manager has been appointed to lead the heads of relevant Segments in

Item	Implementation status
	implementing climate risk management operations and regularly track the achievement of environmental sustainability goals.
II. Describe how the identified climate risks and opportunities will affect the Company's business, strategy and finances (short-term, medium-term and long-term).	Led by the General Manager and relevant segment heads, the company conducted an identification and assessment of climate-related risks and opportunities to determine their impact on operations. This assessment utilized legal reviews, research of research reports, and review of peer and market information, all in accordance with the TCFD framework. The goal was to clarify how various climate-related issues can mitigate operational and financial impacts from climate change. Please refer to page 69 for relevant information.
III. Describe the financial impacts of extreme climate events and transformation actions.	1. Impacts of extreme weather events on finance Through intragroup discussions, inventory, and Assessment, the Company has identified potential Risks of "flooding", "drought", "high temperature", "typhoons", and other climate disasters and extreme changes in climate patterns during the production stage. Flooding from heavy rainfall did not affect plant equipment, but it disrupted employee attendance and reduced output. The reduction in water supply caused by drought had a minimal impact on current production line water consumption and output. However, high temperatures posed a greater challenge, as the industry operates high-temperature processes. These high temperatures not only affected power supply efficiency but also caused discomfort for on-site employees, resulting in a relatively large impact. 2. Impacts of transition actions on finance. Transition risk assessment primarily references a scenario setting framework designed to control warming within 1.5°C. Subsequent detailed future climate scenarios are then established based on the specific attributes of each transition risk event. Based on the company's current climate change response status and goals, and by collecting domestic policies and regulations, relevant Research reports, and international Development trends, future climate scenarios for each transition Risk event are established. Under transition risk, the low-carbon economic transition may face widespread changes in policies and regulations, technology, and markets. If domestic carbon fees were formally implemented in 2025, the Company's carbon emissions fell within the exemption scope, and there was little impact on operating cost. According to EU statistics, 97% of carbon emissions originated from less than 20% of companies. Therefore, the EU intends to relax some CBAM regulations and concentrate carbon tariff pressure on major carbon emitters. According to the latest draft, the implementation of carbon tariffs may be postponed to 2027, and small and medium-sized importers may be eligible for exemptions. Therefore, the financial impact of transition risks arising from carbon fees or carbon taxes will be further assessed once more detailed information becomes available.

Item	Implementation status
IV. Describe how the climate risk identification, assessment and management process is integrated into the overall risk management system.	The Company adopts the TCFD framework to identify climate change-related risks and opportunities. Relevant department heads, taking into account the Company's current operating conditions and available resources, develop tailored, practical, and effective climate risk management policies for significant risk items.
V. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	Under planning.
VI. If there is a transformation plan to manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transformation risks.	To reduce carbon emissions per product unit and the impact on the environment, the Company continues to research methods to reduce energy and resource consumption and aims to reduce direct emissions from operating activities (scope 1) and indirect emissions from energy use (scope 2). The Company has set targets for saving electricity and water to ensure that the intensity of greenhouse gas emissions meets expectations. The implementation content includes 1. Eliminating and replacing old equipment, simplifying the process to reduce waste, and lowering the carbon intensity of the manufacturing stage 2. Complying with regulations, planning and building of solar power generation equipment, and using renewable energy to identify risks and opportunities.
VII. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	The Company has not yet planned for internal carbon pricing.
VIII. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, the annual progress achieved and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon reduction credits or the	Under planning.

Item	Implementation status
number of renewable energy certificates (RECs) used should be explained.	
IX. Greenhouse gas inventory and assurance status and reduction targets, strategies and concrete action plans	Please refer to the following table (page 65)

Greenhouse gas emissions and assurance, water consumption and total waste in the last two years

1. Greenhouse gas inventory information, water consumption and total waste

Greenhouse gas emissions (ton CO2e)

Item	2024	2025
Category I	798	133
Category II	10,242	1,415
Total volume	11,040	1,548
Emissions per unit of revenue (t CO2e/NT$ million)	7.97	1.50
Water consumption (tons)	23,190	4,138
Total household waste (tons) (harmless substances)	113.85	13.37
Waste oil sludge (tons) (harmless substances)	445.69	0

2. Greenhouse gas assurance (verification) information

	2024	2023
Assurance scope	Qiaotou Plant, Ziguan Plant of the Company	Qiaotou Plant, Ziguan Plant of the Company, Jiuru Office
Assurance institution	British Standards Institution (BSI)	British Standards Institution (BSI)
Assurance standards	ISO14064-1：2018, ISO14064-3：2019	ISO14064-1：2018, ISO14064-3：2019
Assurance (verification) opinion Category 1~2 Category 3	 Reasonable assurance Limited assurance	 Reasonable assurance Limited assurance

3. GHG Inventory Status of All Subsidiaries Included in the Consolidated Financial Statements

Emission unit: tonnes of CO2e equivalent

Intensity unit: tonnes of CO2e equivalent per NT$ million of revenue

		2024		2025	
		Emission	Intensity	Emission	Intensity
The Company	Category I	798		133	
	Category II	10,242		1,415	
	Subtotal	11,040		1,548	
All Subsidiaries in the Consolidated Financial Statements	Category I	508,470		251,330	
	Category II	1,546		1,636	
	Subtotal	510,016		252,966	
Total		521,056	125.9830	254,514	50.279

(Note) The Group's biomass energy emissions for 2024 and 2025 are 301,599 metric tons of CO2 equivalent and 237,811 metric tons of CO2 equivalent, respectively.

4. Consolidation of Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans Since March 2025, the Company has leased out its plant facilities, and the baseline year and carbon reduction targets will be redefined. Subsidiary Yung fu: Since the incinerator itself generates a certain amount of direct greenhouse gas emissions (Category 1) during normal operation, its reduction measures primarily focus on emission sources other than waste incineration and improving overall energy efficiency. Specific measures include: regularly replacing lighting equipment with high-

efficiency LED lighting, improving the energy efficiency of the chiller and other major electromechanical equipment to reduce electricity and fuel consumption, thereby reducing greenhouse gas emissions in both Category 1 and Category 2.

Principle of Materiality – Explanation of the Material Impacts of Environmental, Social, and Corporate Governance Issues on the Company's Investors and Other Stakeholders

Material issues	Risk assessment items	Description
Environment	Environmental impact and management	1. The company has realized the best use of water resources through sewage treatment and recycling, that is, the water consumed by the machine in production is recycled and reused after purification. 2. The company conducts pre-planning and evaluation, implementation and operation through the management system, and performs audits and corrective actions afterwards to ease the impact on the environment continuously. The company formulates environmental policies such as compliance with environmental protection laws and regulations, commitment to pollution prevention, and continuous improvement to promote environmental management and improvement plans. Also, formulates the indicators such as compliance with environmental protection laws and regulations, reduction of on-site oil fume, and noise reduction to monitor at any time and strive to achieve the objectives. 3. Through the implementation of process safety management and institutionalized management cycles, pollution emissions can be effectively reduced and the impact on the environment can be reduced. 4. Industrial waste shall comply with relevant laws and regulations, and shall be entrusted to qualified waste disposal companies approved by the competent authorities for disposal, and shall be reported to the competent authorities regularly to ensure the accurate understanding of waste flow.
Society	Occupational safety	1. Hold fire drills and work safety education and training regularly twice a year to cultivate employees' ability in responding to emergencies and self-safety management. 2. Employees must wear safety helmets, safety shoes, and other safety protection gears at the worksite to reduce occupational injuries of employees. 3. The Company has obtained the ISO 45001 occupational health and safety management system certification. 4. Conduct employee health check once a year to improve the physical and mental health of employees.
	Product Safety	The Company's products are in compliance with the governing laws and regulations of the government without containing any hazardous substance. Also, a customer service hot line and a communication website have been set up for ensuring the customer service quality and for enhancing the cooperative relationship with customers.
Corporate governance	Enhance board director's functions.	1. Provide directors with the latest laws, economics, corporate governance, and other related continuing education topics to help directors understand the latest regulations and policies of competent authorities. 2. Obtain liability insurance for directors to protect them from lawsuits or claims.
	Information security risk	1. Set up firewalls and quarantine areas for internal and external network services, and strictly monitor the control and use of communication access protocols. 2. Plan and construct a data protection mechanism to reduce the risk of user data leakage. 3. Organize education and training programs to promote information security.
	Regulatory compliance	1. Ensure that all personnel and operations of the company truly comply with relevant laws and regulations by establishing a governance organization and implementing an internal control mechanism. 2. Update and publicize relevant regulatory information from time to time.
	Communication with stakeholders	Establish diverse communication channels, foster open communication, and minimize conflict and misunderstanding. Set up an investor mailbox to be managed and responded to by the spokesperson or acting spokesperson.

Energy saving and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management policies

Quantitative management of energy conservation and carbon reduction

I. Current energy saving policy

The company's main energy consumption is electricity. Therefore, in terms of energy conservation, the mission is to reduce the power consumption in production per unit and to achieve effective use of energy through continuous monitoring systems and independent management of production unit.

Starting in March 2025, our company will lease out its factory and equipment, ceasing its own screw production. This will result in a significant reduction in production volume, leading to a decrease in electricity consumption and carbon emissions. In 2025, the unit production emissions (tCO2e/kg) were 0.474, a decrease of 0.02 and 4% compared to 2024.

Reduction target: Electricity consumption was reduced by approximately 1% in 2023 and 2022 compared to the previous year. Starting in fiscal year 2023, the reduction rate increased to 2%, and has continued to increase annually since then.

Comparison of electricity consumption in recent years: Using 2022 as a baseline, in 2024 unit production emissions decreased by 3%, and decreased by 4% in 2025.

Year	Electricity usage	Carbon emission	Emission per unit of production (tCO2e/kg)
2025	2,985,467	1,415.114	0.474
2024	20,733,513	10,242.3557	0.494
increase/decrease	-17,748,046	-8,827.2443	-0.02

II. Future carbon reduction objective

The Company's future quantitative management goal for energy conservation and carbon reduction is to reduce carbon intensity by 20% by 2030 compared to 2022.

Water resource management

A stable water supply in response to global climate change has become a challenge to many nations. In order to fulfill its social responsibility and address the water scarcity issue, the Company set a target of reducing its overall water intensity (total water use/million USD production value) by 20% by 2025, using 2022 as the base year. The Company has taken concrete actions and is jointly confronting the challenges of climate change with global Entities.

Specific operations

1. Office: If there is a water leak, please ask the engineering department to handle it immediately.
2. Water withdrawal in the past two years

Unit: Million liters

	2025	2024	increase/decrease
Total water withdrawal	0.9596374	30.41	-29.450363
Water withdrawal intensity	0.0000009	0.0002	-0.0000191

Waste management

All of the Company's waste is non-hazardous industrial waste. The total amount of waste in 2025 was 34.32 metric tons. Due to a decrease in shipments in 2025 compared to 2024, and a significant reduction in the number of employees as the company ceases to manufacture screws in-house, the amount of waste generated also decreased accordingly.

Waste is disposed of through incineration and recycling. The waste recycling rate for non-hazardous waste in 2025 was 61%. Waste removal is outsourced to qualified waste treatment vendors. Contracts are signed annually with qualified waste transporters to confirm relevant Management methods and practices. These transporters have regularly cleaned up waste based on its output since that time. We will inspect waste removal companies at least once a year. Environmental safety personnel will monitor and understand the operation and management of the entrusted waste storage, removal, treatment, and recycling. During the removal, there will be a three-part form to ensure that the waste is handed over to legal operators for treatment, and records will be kept. There were no breach of contract by waste disposal companies in 2025.

Total volume of waste in the last 3 years

Unit: Metric ton

	Waste details	2023	2024	2025	Method of handling
Non-hazardous waste	Domestic waste (D-1801)	131.26	113.85	13.37	Incineration (non-energy recovery)
	Non-hazardous sludge (D-0903)	57.86	0	0	Recycled and physically processed into solid fuel
	Waste oil mixture (D-1799)	236.42	445.69	0	Recycled and physically processed into solid fuel
	Waste lubricant (R-1703)	27.52	86.31	20.95	Recycling
	Waste wood	18.16	0	0	Incineration (non-energy recovery)
	Total	471.22	645.85	34.32	

Description: Production volume and number of employees will decrease in 2025 compared to 2024, resulting in a reduction in the amount of domestic waste and waste oil sludge.

Environmental management

The Company obtained the ISO 14001 environmental management system certification in 2015 and continued to maintain the certificate through the evaluation performed by external audit units every year thereafter. The latest certificate was valid from December 19, 2022, to December 18, 2025.

The Company conducts pre-planning and evaluation, implementation and operation through the management system, and performs audits and corrective actions afterwards to ease the impact on the environment continuously. The company formulates environmental policies such as compliance with environmental protection laws and regulations, commitment to pollution prevention, and continuous improvement to promote environmental management and improvement plans. Also, formulates the indicators such as compliance with environmental protection laws and regulations, reduction of on-site oil fume, and noise reduction to monitor at any time and strive to achieve the objectives.

1. Employees are encouraged to participate in resource recycling, including recycling of plastics, waste paper, glass bottles and cans, to reduce the amount of waste.
2. The production line is equipped with dust hoods or large air purifiers to reduce air pollution
3. Regularly (once every six months) entrust external units to test the working environment, including noise and temperature, to maintain the safety and health of employees' working environment

Implementation of the policies

1. Occupational safety and health management
   (1) The Company maintains occupational safety and health for all employees, including holding regular labor safety and health seminars to enhance employee safety and health management at work. Identify health and safety risks and reduce the occurrence of accidents with a systematic management approach to protect the safety of employees and to comply with government regulations.
   (2) The Company has obtained ISO 45001 certification, which improves the efficiency of overall management.
2. Education and training
   OFCO Industrial Corp. appreciates the importance of all employees' functional and occupational training. The Company provides a variety of training courses for new employees, full-time staff, and management, and continuously improves the core functions of all employees through internal and external training resources.
3. Health examination consultation
   The Company cares about the physical and mental health of every employee. In addition to holding health checks once a year, it also provides health consultation and follow-up management to ensure the health of all employees. At the same time, it promotes health promotion and provides all employees with information on activities to enhance physical and mental development and relieve stress. Two health lectures will be held in 2025 to encourage employees to lose weight in a healthy and gradual way, improve their physical health, and promote the importance of weight management among employees.
4. More than 90% of our products are exported, and we do not issue domestic uniform invoices. Customers receive delivery orders electronically to reduce paper consumption.
5. The Company's human resources system (leave, attendance, etc.) and procurement system use electronic forms for approval to reduce paper usage.
6. Encourage employees to engage in waste Classification and resource recycling to reduce waste volume.
7. Encourage employees to use reusable containers instead of single-use plastic packaging

Assessment of climate change and countermeasures

2025 is the second or third warmest year on record, with ocean heat content breaking records for the ninth consecutive year, greenhouse gas concentrations continuing to rise, and multiple key climate indicators deteriorating simultaneously. This poses a serious threat to food security, human health, and ecological stability, and also affects the achievement of several United Nations Sustainable Development Goals (SDGs).

In response to the impact of climate change on corporate operations and the specific disclosure of information on climate change, the departments within the Company have started to conduct business inventory and risk identification, including analyzing the direct or indirect impacts caused by extreme weather, the impact of business transformation due to the requirements of regulations, technologies, or market demand, and the risks and opportunities for the Company's operating activities derived from human, cultural, and social aspects. Form a risk management strategy plan according to the analysis results as the core of responsive actions to a climate change in order to estimate the management cost and financial impact. Apply the data collected in the preceding paragraph to enhance the company's climate change governance, and to evaluate the financial connection systematically in order to reduce risks and grasp opportunities.

Classification of risks	Identification of risks derived from climate change	Identification of opportunity derived from climate change	Possible business development for company operations
Energy	Policy rewards and penalties	Replace outdated and energy-intensive equipment.	The Company's production process consumes much electricity. The Group plans to promote the use of solar power in the next few years in order to reduce carbon emissions by then.
Products and services	Low carbon products and services	The company plans to introduce green energy power generation in the next few years to reduce the impact of energy consumption on the environment.	The Company and the customers in Europe and the USA concern about the negative impact on the environment during the production and sales process, and intend to use solar power for the protection of the Earth.

The climate risks and opportunities identified for fiscal year 2025 affected the Company's business, strategy, and finances (short-term, medium-term, and long-term).

(I) Climate risks

Classification of risks	Contents of risks	Time	Mitigation/Adaptation Response Measures	Financial impact
Transformation risks	Policies and regulations - carbon tax/carbon fee regulations are gradually being formulated and applied in various countries	Short-term	The Company completed greenhouse gas inventory and third-party verification from 2023 to 2025, and formulated a feasible reduction plan based on the results of the inventory to achieve its low-carbon production target.	Operating costs
Transformation risks	Policies and regulations - government encourages the increase of renewable energy use	Mid-term	Expand the use and installation of solar energy and other renewable energy facilities and set renewable energy use targets	Operating costs
Transformation risks	Policies and regulations - in response to the trend of low-carbon manufacturing of products, it may be necessary to adjust the process or change the cooperating supplier	Mid-term	Suppliers are required to disclose their greenhouse gas emissions and set carbon reduction targets and schedules, and a supplier environmental assessment and screening mechanism is implemented.	Procurement cost
Transformation risks	Energy-saving equipment investment - in response to the low-carbon trend, energy-saving production equipment must be replaced.	Mid-term	Assess the procurement of energy-saving production equipment, and plan the feasibility and supporting measures.	Capital expenditure R&D expenditure
Transformation risks	Changes in customer behavior - rising demand for low-carbon products	Long-term	Development and Provision of low-carbon steel products, and collaboration with supply chain vendor partners to jointly establish carbon reduction target and timelines, effectively reducing the product carbon footprint to meet customer demands and align with low-carbon trends.	Operating income
Physical risks	Immediacy - the probability of extreme weather increases and intensifies, affecting supply chains and transportation	Long-term	Strengthen control of raw material safety stock days and develop a contingency measure for diversified supplier procurement.	Operating income
Physical risks	Immediacy - climate change leads to an increased likelihood of water shortages or floods	Long-term	Redefine the factory's water safety inventory and water truck deployment response plan, and set a goal for reducing water intensity.	Operating income Operating costs

(II) Climate Opportunities

Details of opportunity	Time	Mitigation/Adaptation Response Measures	Financial impact
Launch low-carbon products	Mid-term	Collaborate with major supply chain partners to jointly establish carbon reduction targets and timelines, effectively reducing the carbon footprint of products to meet customer demands and align with low-carbon trends.	Operating income
Use of renewable energy	Short-term	Expand the use and installation of solar energy and other renewable energy facilities and set renewable energy use targets.	Cost of energy use
Use of more efficient production methods	Long-term	The project of R&D of low-carbon production technology.	Production cost
Use equipment to improve energy efficiency	Mid-term	Assess the performance and procurement of energy-saving production equipment, and plan the feasibility and supporting measures in line with the Company's expansion plans.	Cost of energy use

(VIII) The implementation of ethical management and the deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reason

Evaluation items	The State of Operations			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company," and the Reasons
	Yes	No	Summary description	
I. Establishment of ethical corporate management policy and proposal (I) Has the company formulated an ethical corporate management policy approved by the Board of Directors, disclosed the policy and practice of ethical corporate management in the company's regulations and external documents, and the implemented the policy by the Board of Directors and the senior management actively? (II) Does the Company have established a mechanism for assessing the risk of unethical conduct, regularly analyze and assess business activities within the scope of business with a higher risk of unethical conduct, and establish a program to prevent unethical conduct accordingly, and at least cover the preventive measures for the behaviors in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"? (III) Has the company clearly defined the operating procedures, guidelines for conduct, disciplinary acts, and complaint systems in the plan to prevent unethical conduct, and implemented the plan as well as regularly reviewed and amended it?	 √ √ √		 (I) The Company's Board of Directors resolved on March 12, 2015 to formulate the ethical corporate management related regulations. The contracts with external party had been signed in accordance with the principle of good faith and reciprocity, the contractual terms and conditions had been negotiated reasonably, and the contractual commitments had been fulfilled actively. (II) The Company has established systems and plans to prevent unethical conduct and consistently communicates the importance of ethical principles to its employees. When instances of unethical behavior have occurred, employees have been disciplined based on the circumstances and the Materiality of the impact. (III) The Company has formulated relevant systems to prevent unethical conducts from occurring; also, applied the prevention mechanism of internal control and the inspection mechanism of internal audit to prevent unethical business activities from happening. The Company has established "Procedures for Handling Material Inside Information" and conducts annual education for insiders on preventing insider trading and ethical business practices. This year, on November 16, 2025, education sessions were conducted for a total of 16 individuals, including current Directors, independent Directors, managers, and general employees.	No major differences.
II. Implementation of Ethical Corporate Management				

Evaluation items	The State of Operations			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company," and the Reasons
	Yes	No	Summary description	
(I) Does the company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	√		(I) The company will consider the legality and credit status of the manufacturer among peers in advance, and conduct a credit-check operation in a timely manner. The company will have the rights and obligations of both parties detailed in the contract. At present, no Transactions by anyone with a record of dishonest conduct have been discovered.	No major differences.
II. Implementation of Ethical Corporate Management (II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and plan to prevent unethical behavior and the status of supervision of its implementation?	√		(II) The Company has designated the Administration Section as the responsible unit for the enactment and supervision of the integrity management policy and prevention plans. It assists in integrating ethics and moral values into the Company's business strategy and formulates relevant anti-corruption measures to ensure ethical business management in accordance with laws and regulations. The implementation status for 2025 was reported to the Board of Directors on December 23, 2025.	No major differences.
(III) Does the company have the policy formulated to prevent a conflict of interest, provide appropriate channels for communication, and implement it?	√		(III) The company's employees may report matters related to conflicts of interest to the department head or directly to the President.	
(IV) Has the company established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit drawn up relevant audit plans based on the risk of unethical conduct identified in an evaluation, and audited the compliance of the audit plan in preventing unethical conduct, or entrusted a CPA to perform the audit plan?	√		(IV) The Company has established accounting systems and internal control systems. Internal auditors perform various audits according to the audit plan. For business activities with high risks, the audit frequency is increased according to their needs.	
(V) Does the company regularly organize internal and external education and training programs on ethical corporate management?	√		(V) The Company held 43 internal and external education and training sessions related to integrity management issues (including regulatory compliance with the Ethical Corporate Management Act, labor safety and health, prevention of insider trading, and internal control and other related courses) in 2025,	

Evaluation items	The State of Operations			Deviation From the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company," and the Reasons
	Yes	No	Summary description	
			for a total of 373 hours. On December 23, 2025, the Board of Directors reported the 2025 integrity management implementation report to facilitate supervision by the Board of Directors.	
III. The operation of the company's whistleblower reporting system (I) Has the Company formulated a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported individuals? (II) Has the company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms? (III) Does the Company take measures to protect the whistleblowers from suffering any consequences due to their whistleblowing?	√ √ √		(I) The Company has an e-mail box setup and a complaint mechanism established and handled by the designated personnel; also, a reward and punishment plan is formulated separately. (II) The company's reporting procedure is equipped with a confidentiality mechanism. The unit responsible for handling any reported event should keep the identity of the whistleblower in confidence. (III) The company's reporting procedure is equipped with a confidentiality mechanism to protect the whistleblowers without malicious intent from retaliation.	No major differences.
IV. Intensification of disclosure Does the company disclose the content and effectiveness of its "Ethical Corporate Management Best Practice Principles" on its website and the Market Observation Post System?	√		The Company has announced the establishment of the "Ethical Corporate Management Best Practice Principles" on the website and the Market Observation Post System to disclose information on corporate culture, business policies, etc. Company website: https://www.ofco.com.tw/sites/default/files/pdf/creditmanagement.pdf	No major differences.
V. If the company has the "Ethical Corporate Management Best Practice Principles" formulated in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please state the deviation of the operation from the formulated Principles: The Company has established the Ethical Corporate Management Best Practice Principles which are duly enforced. It is handled in compliance with the "Ethical				

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">The State of Operations</th><th rowspan="2">Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company,” and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td colspan="5">Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and relevant laws and regulations.</td></tr>
<tr><td colspan="5">VI. Other important information that helps to understand the Company's ethical corporate management:
(1) Comply with the Company Act, Securities and Exchange Acct, Business Entity Accounting Act, and relevant laws and regulations for TWSE/TPEx Listed Companies as the basis for implementing ethical corporate management.
(2) The system of “Recusal Due to Conflict of Interest” is stipulated in the Rules of Procedure for Board of Directors Meetings. Directors or the juridical persons they represent who have an interest in the proposals to be discussed in the board meeting should explain the important content of their interests at the current board meeting. Those who are detrimental to the interests of the company shall have themselves recused from the discussions and voting, and should not exercise voting rights on behalf of other directors.
(3) Based on business needs, we will also invite suppliers to participate in employee education and training, such as fire safety drills, work matters and life management promotion for foreign employees, etc.
(4) The “Procedures for Handling Material Inside Information” has been established, which clearly stipulates that the Company's directors, managers and employees, or other persons who have learned of the Company's internal material information due to their status, occupation or control relationship, shall not inquire about or collect the Company's undisclosed internal material information that is not related to their personal duties from persons who have learned of the Company's internal material information, and shall not disclose to others the Company's undisclosed internal material information that is not learned for business purposes.
(5) The Company has established the “Procedures for Handling Material Inside Information”, which clearly stipulates that directors, managers and employees shall not disclose internal material information known to others, shall not inquire about or collect the Company's undisclosed internal material information that is not related to their personal duties from people who know the Company's internal material information, and shall not disclose to others the Company's undisclosed internal material information that is not obtained through business execution.</td></tr>
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(IX) The Company's corporate governance principles and related regulations, and their query methods:

1. Related regulations and regulations that have been established:
   (1) Rules of Procedure for Shareholders' Meetings
   (2) Supervision Procedures for Subsidiaries
   (3) Procedures for Acquisition or Disposal of Assets
   (4) Procedures for Lending Funds and Endorsements/Guarantees
   (5) Board Meeting Rules of Procedure
   (6) Procedures for Election of Directors
   (7) Procedures for Handling Intragroup Material Information
   (8) Organizational Rules of the Compensation Committee
   (9) Audit Committee Charter
   (10) Organizational regulations of the Sustainable Development Committee
   (11) Corporate Governance Best Practice Principles
   (12) Ethical Corporate Management Best Practice Principles
   (13) Corporate Social Responsibility Best Practice Principles
   (14) Measures for Handling the Reporting of Illegal, Immoral or Unethical Conducts
   (15) Regulations Governing Financial Transactions among Related Parties
   (16) Risk Management Policies and Procedures.
2. Inquiry method: Disclosed in the "MOPS" and the Company's website (Company website: http://www.ofco.com.tw)

(X) Other important information that helps to understand the corporate governance operation of the Company:

1. The "Procedures for Handling Internal Material Information" enacted for managing the Company's internal material information has been announced to all Directors, managers and employees to avoid improper information leakage and to ensure the consistency and accuracy of information announced to the general public.
2. Upon assuming office, directors, managers, and other insiders are provided with the latest version of the "Regulations Governing Insider Trading and Insider Shareholdings for TPEx and Emerging Stock Companies" compiled by the Taipei Exchange, to ensure their compliance. In addition, insiders are required to execute a written statement confirming their understanding of the relevant provisions of the Securities and Exchange Act and their commitment to comply with all applicable regulations.
3. Directors and supervisors' continuing education and training, and managerial officers' participation in corporate governance related continuing education and training.

3-1 Implementation of directors' continuing education and training in 2025

Title	Name	Organizer	Continuing education courses	Number of hours in continuing education	Whether the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" is complied with
Representative of corporate director	James Huang	Taiwan Investor Relations Institute	Illegal Securities Cases and Director and Supervisor Liabilities	3	Yes
			Legal responsibilities of directors and supervisors and corresponding Risk and prevention measures.	3	Yes
Representative of corporate director	Wu, Mei-Hui	Taiwan Investor Relations Institute	Group Governance Performance Management Practices: A Financial Perspective	3	Yes
Representative of corporate director	Wu, Mei-Hui	Taiwan Investor Relations Institute	Future-oriented strategic planning	3	Yes
Representative of corporate director	Chen, Hsiang-Lin	Taiwan Investor Relations Institute	Illegal Securities Cases and Director and Supervisor Liabilities	3	Yes
			Legal responsibilities of directors and supervisors and corresponding Risk and prevention measures.	3	Yes
Director	Chen, Chi-Tai	Taiwan Corporate Governance Association	Impacts of the latest international taxation reform on entity operations and responses.	3	Yes
		Taiwan Institute of Directors	How Entities and Boards of Directors Avoid Insider Transactions	3	Yes
Independent Director	Jeff Huang	Taiwan Investor Relations Institute	Illegal Securities Cases and Director and Supervisor Liabilities	3	Yes
			Legal responsibilities of directors and supervisors and corresponding Risk and prevention measures.	3	Yes
Independent Director	Chang, Wen-Huai	Taiwan Investor Relations Institute	Illegal Securities Cases and Director and Supervisor Liabilities	3	Yes
			Legal responsibilities of directors and supervisors and corresponding Risk and prevention measures.	3	Yes
Independence Director	Wang, Bing-Chuan	Taiwan Corporate Governance Association	Corporate Governance: Understanding Key Hidden Information in Financial Statements and Case Analysis	3	Yes
		Taiwan Institute of Directors	Corporate governance enhancement: Building a new talent competitiveness framework.	3	Yes
Representative of corporate director	Chen, Cheng-Wen	Securities and Futures Institute	Trends in the disclosure of sustainability information – Publication IFRS S1 and S2 sustainability disclosure standards, impacts and responses.	6	Yes
		Taiwan Investor Relations Institute	Legal responsibilities of directors and supervisors and corresponding Risk and prevention measures.	3	Yes

3-2 Continuing education and training regarding corporate governance attended by the managers in 2025

Title	Name	Organizer	Date in continuing education	Continuing education courses	Number of hours in continuing education
Accounting Supervisor	Wang, Mei-Yu	Accounting Research and Development Foundation	August 21, 2025	Financial Report Analysis Practices for the Board of Directors and Senior Executives	3
			August 21, 2025	Information Security Awareness and Risk Control Practices for Directors, Supervisors, and Senior Officers of Listed Companies	3
			August 22, 2025	Analysis of International Financial Reporting Standard 18 Presentation and Disclosure in Financial Statements (IFRS 18)	3
			August 22, 2025	Legal Liabilities and Case Analysis of Workplace Bullying in Entities	3
Internal Audit Supervisor	Chen, Yi-Jie	The institute of Internal Auditors	June 5, 2025	Establishment of key elements and audit priorities for sustainable information Management control systems.	6
			October 2, 2025	Practical Discussion on Insider Trading and Financial Misrepresentation and Responses Thereof	6
Head of corporate governance	Wang, Mei-Yu	Securities and Futures Institute	March 28, 2025	Publicly quoted entity sustainability disclosure seminar	3
		Taiwan Investment Relations Institute	July 17, 2025	Legal responsibilities of directors and supervisors and corresponding Risk and prevention measures.	3
		Taiwan Stock Exchange	July 9, 2025	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
		Taiwan Investment Relations Institute	September 25, 2025	Illegal Securities Cases and Director and Supervisor Liabilities	3
		Taipei Exchange	December 9, 2025	2026 ESG rating promotion seminar	3

(XI) Regarding the implementation of the company's internal control system, please disclose the following matters

1. Internal Control Declaration:

OFCO INDUSTRIAL CORP.

Statement of Internal Control System

Date: March 09, 2026

Based on the findings of a self-assessment, OFCO INDUSTRIAL CORP. states the following with regard to its internal control system during the year 2025:

I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system and have already established it. Its purpose is to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets); for the reliability, timeliness and transparency of the report; iii. to comply with applicable rulings, laws and regulations.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its three stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The assessment items adopted by the Principles for the internal control system are based on the process of management and control, and shall comprise the following constituent elements: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communications, and 5. monitoring activities. Each element contains several items. For the aforementioned items, please refer to the Principles.

IV. The Company has adopted the aforementioned items to assess the design and operating effectiveness of the internal control system.

V. Based on the findings of such evaluation, the Company believes that, on December 31, 2025, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations

VI. This Statement is an integral part of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was passed by the Board of Directors in their meeting held on March 09, 2026, with none of the 8 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

OFCO INDUSTRIAL CORP.

Chairman: James Huang

General Manager: Mike Shen

2. When entrusting CPAs to conduct a special audit of the internal control system, the audit report should be disclosed: None.

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

1. Regular shareholders' meeting

Time	Material resolutions
June 11, 2025	• Ratified the 2024 business report and financial statements. Execution Results: The proposal to accept the 2024 business report and financial statements was passed by voting. The consolidated revenue for the year was NT$ 4,135,922 thousand, the Net loss after taxation was NT$ 36,012 thousand, and the Earnings per Share was NT$ -0.36.
	• Approved the 2024 Earnings distribution proposal. Implementation status: The voting was approved, and a cash dividend of $0.2 per share was distributed, having been fully paid on November 28 2025.
	•Proposal for revised provisions of the articles of incorporation. Implementation status: The voting was approved and uploaded to the MOPS and the Company's website.
	• Revised amendments to some provisions of the "Regulations Governing Endorsements and Guarantees". Implementation status: The voting was approved and uploaded to the MOPS and the Company's website.
	• Proposal to amend to the partial articles of the "Regulations Governing the Acquisition and Disposal of Assets." Implementation status: The voting was approved and uploaded to the MOPS and the Company's website.

2. Extraordinary shareholders' meeting:

Time	Material resolutions
February 20, 2025	•The Company intends to lease assets to related parties. Implementation status: The resolution was approved by voting and the Company has been implementing it since March 1, 2025.

3. Board meeting

Time	Material resolutions
January 2, 2025 11th meeting of the 18th session.	1. Allocation of 2023 year-end bonus to managers and salary adjustment for 2024 2. Business plan and budget for 2024 3. Participated in the subscription of the private placement of common stock of Yuan Sheng International Industrial Co., Ltd. 4. Amendments to Corporate Social Responsibility Best Practice Principles. 5. Amendments to the Corporate Governance Best Practice Principles. 6. Establish the base date for the conversion of fourth domestic unsecured convertible corporate bonds into common shares and the issuance of new shares by employees exercising employee stock options issued in 2020 from the fourth quarter of 2023 to January 15, 2024. 7. Renewal of the financing limit for domestic and foreign purchase of materials from Hua Nan Bank. 8. Proposal to change the renewal of the credit facility of Shin Kong Bank. 9. Apply for renewal of the comprehensive loan facility from Entie Commercial Bank upon expiration.
February 20, 2025 12th meeting of the 18th term	1. Application for a short-term secured loan facility at First Commercial Bank. 2. Applied to hua nan bank for an increase to the material purchase Loan limit. 3. Participated in the private placement cash capital increase proposal of Ho Hsin Precision Industrial Co., Ltd.
March 12, 2025 13th meeting of the 18th term	1. Proposal for 2024 remuneration for Directors and employees. 2. The Company's proposal for business report and financial report for 2024. 3. Propose the 2024 earnings distribution proposal. 4. 2024 internal control statement. 5. The Company's transaction reports on purchases and sales of goods, and provision of labor or technical services with Related parties in 2025. 6. Evaluation of the independence and suitability of the CPAs appointed by the Company for 2025.

Time	Material resolutions
	7. Revised articles of incorporation. 8. Loan to Subsidiary Yung Fu. 9. Revised proposal for organizational structure. 10. Personnel and compensation adjustment proposal. 11. Convening the 2025 annual general meeting of shareholders and related matters. 12. Accept Shareholder proposals pursuant to Article 172-1 of the Company Act.
April 18, 2025 14th meeting of the 18th term	1. Revised provisions to the intragroup control system regarding the investment cycle. 2. Proposal to amend to the partial articles of the "Operational Procedures for the Acquisition and Disposal of Assets." 3. New motions were added to the 2025 annual general meeting of shareholders.
May 7, 2025 15th meeting of the 18th term	1. The Company's 2025 first quarter financial report. 2. Application for renewal of credit line from First Commercial Bank.
July 2, 2025 16th meeting of the 18th term	1. Revised amendments to some provisions of the "Board of directors performance evaluation policy." 2. Appointment of the new General Manager. 3. Disposal of assets by Subsidiaries.
August 6, 2025 17th meeting of the 18th term	1. The Company's 2025 second quarter financial report. 2. Proposal for remuneration for subsidiary corporate director representatives. 3. Proposal to renew the expiring credit limit of Union Bank. 4. Renewal of credit facility with Bank SinoPac upon expiration. 5. The 2024 Sustainability Report has been completed. 6. Revised payroll cycle of the internal control and internal audit system.
September 25, 2025 18th meeting of the 18th term	1. The Company's non-participation in the private placement cash capital increase of Yung Fu Co., Ltd., a significant subsidiary, in 2024 resulted in a decrease in shareholding of 10% or more. This event was governed by the Rules Governing the Trading of Securities on the TPEx of the Taipei Exchange.
November 12, 2025 19th meeting of the 18th term	1. The Company's 2025 third-quarter financial report. 2. The capital increase record date for the issuance of new shares resulting from the convertible bond conversion of the fourth domestic unsecured convertible bonds into ordinary shares was set. 3. Application to the Bank of Taiwan for renewal of the domestic and foreign letter of credit for material purchase loan facility and short-term secured loan facility. 4. Formulation of the 2026 internal audit plan.
December 23, 2025 20th meeting of the 18th term	1. Provision of bank endorsements and guarantees for subsidiaries 2. The Subsidiary, Taichung Steel Energy, established the "Procedures for Lending Funds to Others". 3. The loan of Funding from Subsidiaries Tai Steel Transport & Logistics and Tai Steel Energy to Subsidiary Yung Fu. 4. Formulating an enterprise value plan. 5. Re-appointment of Directors at Subsidiary TSG Transport.

(XIII) In the most recent year and up to the date of publication of the annual report, if the directors have different opinions on important resolutions passed by the Board of Directors and there are records or written statements, the main contents are: No such situation.

IV. CPA service fees

Unit: NT$ thousand

Accounting firm name	CPA Name	Period covered by CPA's audit	Professional audit fee	Non-professionalau ditfee	Total	Remarks
PwC Taiwan	Chung-Yu Tien Hsu, Hui-Yu	January 1, 2025~ December 31, 2025	2,400	942	3,342	None

Note 1: The non-audit fees include

Financial report translation fees totaled NT$160,000, sustainability report assurance fees were NT$280,000, and greenhouse gas guidance was provided for the Subsidiary.

Deposit of NT$500,000, other fees of NT$2,000.

1. If the accounting firm has changed and the audit fees paid in the year of change are less than the audit fees in the year before the change, the amount of audit fees before and after the change and the reason should be disclosed: No such situation.
2. If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion and reason of the reduction in audit fees should be disclosed: No such situation.

V. Information on Replacement of CPAs: Not applicable.

VI. Any of the Company's chairman, Presidents, or any managers involved in financial or accounting affairs employed by CPA firm or any of its affiliates in the most recent year: None.

VII. Changes in equity transfers and equity pledges by directors, managers, and shareholders holding more than 10% of the shares in the most recent year and up to the date of publication of the annual report

1. Changes in shareholdings of directors, managerial officers, and shareholders with more than 10% ownership

Title	Name	2025		As of March 31, 2026	
		Increasing (decreasing) number of shares held	Increasing (decreasing) number of pledged shares held	Increasing (decreasing) number of shares held	Increasing (decreasing) number of pledged shares held
Chairman	Taiwan Steel Group United Co., Ltd.	0	0	0	0
	Representative: James Huang	0	0	0	0
Director	Taiwan Steel Group United Co., Ltd.	0	0	0	0
	Representative: Chen, Cheng-Wen	0	0	0	0
Director	Taiwan Styrene Investment Co., Ltd.	0	0	0	0
	Representative: Wu, Mei-Hui (Note 1)	0	0	0	0
Director	Rong Gang Investment Co., Ltd.	0	0	0	0
	Representative: Chen, Hsiang-Lin	0	0	0	0
Director	Chen, Chi-Tai	0	0	0	0
Independent Director	Jeff Huang	0	0	0	0
Independent Director	Chang, Wen-Huai	0	0	0	0
Independent Director	Wang, Bing-Chuan	0	0	0	0
Director	Taiwan Steel Group United Co., Ltd.	0	0	0	0
Director	Taiben Investment Co., Ltd.	0	0	0	0
Director	Rong Gang Investment Co., Ltd.	0	0	0	0
Previous General Manager	Shen, Yi-Te (Note 4)	0	0	0	0
Previous General Manager	Huang, Mei-Ling (Note 2)	0	0	0	0
General Manager & CEO	Wu, Bo-Cheng (Note 3)	0	0	0	0
Accounting Supervisor	Wang, Mei-Yu	10,000	0	0	0

(Note 1) She was the representative of Taiwan Styrene Investment Co., Ltd., and resigned on March 20, 2026.

(Note2) Appointed on January 2, 2025, and dismissed on July 2, 2025.

(Note 3) Appointed on January 2, 2025 by CEO; relieved of duties on March 12, 2025. Newly appointed on April 15, 2026 by General Manager & CEO

(Note 4) Newly appointed on July 2, 2025, dismissed on April 15 2026.

2. Information on share transfer: none.
3. Information on share pledge: none.

VIII. Information on the relationships among the top ten shareholders in terms of shareholding ratio

March 30, 2026; Unit: share; %

Name	Shares owned by the person		Current shareholdings of spouse/minor children		Shares held in the names of others		Title, name and relationship of the top ten shareholders who have mutual relationship as interested persons or as spouse or blood relative within the second degree		Remarks
	Shares	Percentage of Shareholding	Shares	Percentage of Shareholding	Shares	Percentage of Shareholding	Name	Relationship	
Representative of Taiwan Steel Group Co., Ltd. Wang, Jiong-Fen	10,000,000	9.93%	0	0	0	0	None	None	None
Representative of E-Top Metal Co., Ltd. Yan, Ching-Li	5,000,000	4.97%	0	0	0	0	E-Sheng Steel Co., Ltd.	The same representative	None
Representative of E-Sheng Steel Co., Ltd. Yan, Ching-Li	5,000,000	4.97%	0	0	0	0	E-Top Metal Co., Ltd.	The same representative	None
Lai, Fu-Min	3,327,000	3.30%	0	0	0	0	None	None	None
Yang, Tsung-Han	2,073,315	2.06%	0	0	0	0	None	None	None
Hua, Lei-Che	1,623,000	1.61%	0	0	0	0	None	None	None
Xxentria Technology Materials Co., Ltd Representative: Cheng, Xian-De	1,526,107	1.52%	0	0	0	0	None	None	None
Tsai, Teng-Tsai	1,394,553	1.39%	0	0	0	0	None	None	None
Fu-Tsai Liu	1,300,000	1.29%	0	0	0	0	None	None	None
He, Yen-Wen	1,189,586	1.18%	0	0	0	0	None	None	None
Chen, Chien-Lun	1,170,000	1.16%	0	0	0	0	None	None	None

IX. Shares of Invested Businesses Jointly Held by the Company, Its Directors, Managerial Officers and Enterprises Directly or Indirectly Controlled by the Company and Shareholdings Ratio in Aggregate of the Above Parties:

As of March 31, 2026. Unit: Shares; %

Reinvestment business (Note)	Invested by the Company		Held by Directors, Managerial Officers, and Directly/Indirectly Controlled Businesses		Comprehensive investment	
	Shares	Percentage of shareholding	Shares	Percentage of shareholding	Shares	Percentage of shareholding
TSG Transport Corp.	37,400,000	100%	0	0	37,4000,000	100%
TSG Environmental Technology Corp.	4,000,000	100%	0	0	4,000,000	100%
Yung Fu Co., Ltd.	18,276,624	54.89%	231,361	0.69%	18,507,985	55.58%
TSG Environmental Technology Corp.	2,300,000	100%	0	0	2,300,000	100%

Note: Investments accounted for using the equity method by the Company.

Three. Financing Status

I. Capital and outstanding shares:

(I) Source of capital stock:

1. Capital increase/decrease in the most recent year

Year/Month	Issue Price	Authorized capital		Paid-in Capital		Remarks		
		Shares (share)	Amount (NT$)	Shares (share)	Amount (NT$)	Capital Source	Paid in properties other than cash	Others
February 2022	10	400,000,000	4,000,000,000	89,049,571	890,495,710	Conversion of convertible corporate bonds for NT$5,277,700	None	Note 1
June 2022	10	400,000,000	4,000,000,000	89,410,035	894,100,350	Conversion of convertible corporate bonds for NT$3,604,640	None	Note 2
September 2022	10	400,000,000	4,000,000,000	99,410,035	994,100,350	Cash capital increase of NT$100,000,000	None	Note 3
February 2023	10	400,000,000	4,000,000,000	99,590,035	995,900,350	Conversion of employees' warrants for NT$1,800,000	None	Note 4
April 2023	10	400,000,000	4,000,000,000	99,708,738	997,087,380	Conversion of employee stock options into NT$1,150,000. Conversion of convertible corporate bond into NT$37,030.	None	Note 5
September 2023	10	400,000,000	4,000,000,000	100,058,738	1,000,587,380	Conversion of employee stock options into NT$3,500,000.	None	Note 6
March 2024	10	400,000,000	4,000,000,000	100,402,738	1,004,027,380	Conversion of employee stock options into NT$2,120,000. Conversion of convertible corporate bond into NT$1,320,000.	None	Note 7
September 2024	10	400,000,000	4,000,000,000	100,509,738	1,005,097,380	Conversion of employee stock options into NT$990,000. Conversion of convertible corporate bond into NT$80,000.	None	Note 8
November 2024	10	400,000,000	4,000,000,000	100,669,738	1,006,697,380	Conversion of employee stock options into NT$1,600,000.	None	Note 9
December 2025	10	400,000,000	4,000,000,000	100,673,922	1,006,739,220	Conversion of convertible corporate bond into NT$41,840.	None	Note 10

Note 1: Letter of the Department of Commerce, MOEA for registration approval referenced Zi No. 11101017530 dated February 21, 2022.

Note 2: Letter of the Department of Commerce, MOEA for registration approval referenced Zi No. 11101090010 dated June 7, 2022.

Note 3: Letter of the Department of Commerce, MOEA for registration approval referenced Zi No. 11101169400 dated September 22, 2022.

Note 4: Letter of the Department of Commerce, MOEA for registration approval referenced Zi No. 11230013280 dated February 4, 2023.

Note 5: Letter of the Department of Commerce, MOEA for registration approval referenced Zi No. 11230057670 dated April 11, 2023.

Note 6: Letter of the Department of Commerce, MOEA for registration approval referenced Zi No. 11230164130 dated September 1, 2023.

Note 7: Letter of the Department of Commerce, MOEA for registration approval referenced Zi No. 11330025610 dated March 13, 2024.

Note 8: Letter of the Department of Commerce, MOEA for registration approval referenced Zi No. 11330156760 dated September 30, 2024.

Note 9: Letter of the Department of Commerce, MOEA for registration approval referenced Zi No. 11330204090 dated November 22, 2024.

Note 10: Letter of the Department of Commerce, MOEA for registration approval referenced Zi No. 11430188740 dated December 26, 2025.

2. Types of shares

March 29, 2026 Unit: share

Types of shares	Authorized capital			Remarks
	Outstanding shares	Un-issued shares	Total	
Registered common shares	TPEx listed: 88,173,922 Non-TPEx-listed: 12,500,000	299,326,078	400,000,000	None

3. Information Relating to the Shelf Registration System: none.

(II) Shareholder structure:

March 29, 2026

Composition of shareholders / Quantity	Governmental agencies	Financial institutions	Other Juristic Persons	Domestic Natural Persons	Foreign institutions and foreigners	Total
Number of people	0	0	239	34,862	25	35,126
Number of shares held	0	0	28,848,528	70,932,497	892,897	100,673,922
Percentage of shareholding	0	0	28.66%	70.46%	0.88%	100.00%

(III) List of Major Shareholders

March 29, 2026 Unit: share

Account name	Number of shares held	Percentage of shareholding
Taiwan Steel Group United Co., Ltd.	10,000,000	9.93%
E-Top Metal Co., Ltd.	5,000,000	4.97%
E-Sheng Steel Co., Ltd.	5,000,000	4.97%
Lai, Fu-Min	3,327,000	3.31%
Yang, Tsung-Han	2,073,315	2.06%
Hua, Lei-Che	1,623,000	1.61%
Xxentria Technology Materials Co., Ltd	1,526,107	1.52%
Tsai, Teng-Tsai	1,394,553	1.39%
Fu-Tsai Liu	1,300,000	1.29%
He, Yen-Wen	1,189,586	1.18%

(IV) The Company's dividend policy and implementation status

1. The dividends policy specified in the Articles of Incorporation:

(1) If there is any surplus in the Company's annual accounts, the Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% as legal reserve (except when the legal reserve has already reached the total capital) and the remainder, in addition to dividends, shall be distributed as dividends to shareholders if there is any surplus. The Company shall distribute dividends and bonuses or all or part of the capital surplus and legal reserve in cash with the consent of more than half of the directors present at a board meeting attended by more than two-thirds of all directors; this shall be reported to the shareholders' meeting, the provision in the preceding paragraph that a resolution shall be adopted by the shareholders' meeting does not apply.

(2) The Company considers a balanced and stable dividend policy and, depending on the demand for investment capital and the dilution of earnings per share, dividends to shareholders should be 50% to 100% of accumulated distributable earnings and should be paid in the form of appropriate stock dividends or cash dividends, with cash dividends to be distributed at no less than 50% of shareholders' dividends.

2. Dividends distributions proposed at the most recent shareholders' meeting:

The Company’s Board of Directors passed a board resolution on March 9, 2026, not to distribute Dividends due to an operating loss in 2025.

(V) Impacts of the stock distribution proposed at the shareholders meeting on the Company’s business performance and Earnings per Share:

Not applicable (no stock distribution was planned for 2025)

(VI) Remuneration to employees and directors

1. The percentages or ranges with respect to employee and director compensation, as set forth in the Company's Articles of Incorporation.

Employee remuneration and directors and supervisors' remuneration shall be pursuant to Article 235-1 of the Company Act and the Company's Articles of Incorporation. The Company shall allocate 1% to 3% of the profits of the current year as employees’ remuneration and no more than 3% as directors' remuneration. Shareholders proposed to revise Article 23 of the articles of incorporation during the 2025 annual general meeting of shareholders. The amendment is expected to add a provision distributing no less than 0.1% of total employee compensation to grass-root employees.

2. The basis for estimating the amount of employee and director remuneration for the current period, the basis for calculating the number of shares for employee remuneration distributed in the form of stock, and the accounting treatment when the actual amount distributed differs from the estimated amount:

Following a board resolution on March 9, 2026, the Company decided not to distribute directors’ remuneration or employees’ compensation for 2025, as stipulated in Article 23 of the articles of incorporation due to an operating loss in that year.

3. Distribution of remuneration approved by the Board of Directors:

(1) If the amount of employee compensation and director compensation distributed in cash or stock differs from the estimated amount recognized as an expense for the year, the difference, reason and treatment are as follows:

The Company experienced an operating loss in 2025. At the Board of directors meeting held on March 9, 2026, a board resolution was passed to forgo remuneration for Directors and employees. For 2025, no employees' and directors' remuneration were distributed as stock.

(2) Amount of employee compensation distributed in the form of stock and its proportion to the total net profit after tax and total employee compensation in the current period

or individual financial statements: No employee compensation was distributed in the form of stock.

4. Distribution of remuneration and results reported at the shareholders' meeting: No remuneration was paid to Directors and employees in 2025, and this will be reported to Shareholders at the annual meeting. The remuneration to Directors and employees for fiscal year 2024 has been reported at the 2025 annual general meeting of shareholders.
5. Actual distribution of employees and directors remuneration in the previous year:

   No remuneration was distributed to Directors or employees in 2024 due to an operating loss.

(VII) Share buyback of the Company’s Shares: There were no such circumstances in 2025.

II. Corporate bonds:

As of March 31, 2026

<table>
<tr><th colspan="2">Item</th><th>The 4th unsecured domestic convertible corporate bonds</th></tr>
<tr><td colspan="2">Date of issuance</td><td>September 30, 2022</td></tr>
<tr><td colspan="2">Par value</td><td>NT$100,000</td></tr>
<tr><td colspan="2">Place of issuance and trading (Note 1)</td><td>Not applicable</td></tr>
<tr><td colspan="2">Issue Price</td><td>Issued at 100.5% of par value</td></tr>
<tr><td colspan="2">Total amount</td><td>NT$350,000,000</td></tr>
<tr><td colspan="2">Interest rate</td><td>0%</td></tr>
<tr><td colspan="2">Term</td><td>3 years, maturity date: September 30, 2025</td></tr>
<tr><td colspan="2">Guarantee agency</td><td>None</td></tr>
<tr><td colspan="2">Trustee</td><td>Bank SinoPac Co. Ltd.</td></tr>
<tr><td colspan="2">Underwriting agency</td><td>Mega Securities Co., Ltd.</td></tr>
<tr><td colspan="2">Attorney</td><td>Not applicable</td></tr>
<tr><td colspan="2">CPA</td><td>Not applicable</td></tr>
<tr><td colspan="2">Repayment method</td><td>Except for the holders of the convertible corporate bonds (hereinafter referred to as "bondholders") who converted the bonds into the Company's ordinary shares in accordance with Article 10 of these Rules, or those repurchased and canceled by the security firm appointed by the Company, the Company will make a repayment in cash in a lump sum within ten business days (including the tenth business day) after the bonds mature at the face value of the bonds, plus interest compensation (102.2669% of the face value and 0.75% of the real interest rate).</td></tr>
<tr><td colspan="2">Outstanding principal</td><td>NT$0</td></tr>
<tr><td colspan="2">Terms of redemption or early settlement</td><td>Redemption right to the convertible corporate bond
(I) From the day following the end of three months after the date of issuance (December 31, 2022) to 40 days before the end of the issuance period (August 21, 2025), if the closing price of the Company's ordinary shares is 30% or more of the present conversion price for 30 consecutive business days, the Company may make a request to redeem the outstanding bonds within the following 30 business days in cash at the face value.
(II) From the day following the end of three months after the date of issuance (December 31, 2022) to 40 days before the end of the issuance period (August 21, 2025), if the outstanding balance of the bonds is lower than 10% of the initial total amount of the bonds issued, the Company may make a request to redeem the outstanding bonds in cash at the face value.</td></tr>
<tr><td colspan="2">Restrictive clauses</td><td>Please refer to the Company's 4th domestic unsecured convertible corporate bonds issuance and conversion regulations</td></tr>
<tr><td colspan="2">Name of the credit rating agency, date of the rating, and corporate bond rating results</td><td>Not applicable</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>Amount of ordinary shares, overseas depository receipts or other securities already converted (swapped or subscribed to) as of the publication date of this annual report</td><td>1. As of December 31, 2025, 147,887 ordinary shares had been converted.
2. The convertible corporate bonds reached Maturity on September 30, 2025, and the 3,463 unconverted corporate bonds were fully settled in Cash in October 2025.</td></tr>
<tr><td>Issuance and conversion (swap or subscription) method</td><td>In accordance with the OFCO 4th issuance and conversion rules set by the Company.</td></tr>
<tr><td colspan="2">Issuance and conversion, swap or subscription method, potential dilution of equity due to issuance conditions, and impact on existing shareholders' equity</td><td>In terms of the potential dilution equity, before the bondholders make a request to execute the conversion right, the equity will not be diluted and the bondholders can choose a more favorable time point for conversion within the conversion period and therefore there is a deferred effect on equity dilution.
In terms of the impact on existing shareholders' equity, although corporate bonds will increase the Company's liabilities before being converted, when the corporate bonds are converted into ordinary shares, it will increase shareholders' equity in addition to reducing liabilities, thereby increasing the net asset value per share. Thus, the existing shareholders' equity will be better protected in a long term, without a major impact caused.</td></tr>
</table>

Note 1: List the overseas corporate bonds.

Information on convertible bonds

Types of convertible bonds		The 4th unsecured domestic convertible corporate bonds		
Year		2023	2024	2025
Market price of corporate bonds	Highest	102.70	112.00	104.50
	Lowest	97.50	99.55	98.05
	Average	103.94	105.75	100.79
Conversion price		NT$23.90		
Issuance date and conversion price at the issuance		Issuance date: September 30, 2022 Conversion price upon issuance: NT$27		
Method of fulfilling conversion obligations		Issuance of new shares		
Remarks		None		

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Employee share subscription warrants

(I) Unexpired employee subscription warrants issued by the company in existence as of the date of publication of the annual report, and the effect of such warrants upon shareholders' equity:

December 31, 2025

Type of employees' warrants	First (period) employee stock option certificates
Effective date of reporting and total number of units	4,000 units on September 14, 2020
Issuance date	October 21, 2020
Number of issued units	By the end of the issuance period, 3,000 units were actually issued.
Number of units available for issuance	0
Number of issued shares to be subscribed to total issued shares	2.98%
Duration of subscription	5 years
Performance approach	Issuance of new shares
Period of subscription restriction and ratio (%)	Ratio or stock option exercisable after two years: 50% Ratio or stock option exercisable after three years: 100% (cumulative)
Number of executed obtained shares	1,116,000 shares
Executed subscribed amount	NT$20,097,800
Unexecuted subscribed quantity	1,884 units (including units that have expired)
Subscription price per share for these who not yet executed subscription	NT$16.6
Ratio of unexercised stock options to total issued shares (%) (note 1)	1.87%
Effect upon shareholders' equity	The employee share options allow for the subscription of 3,000,000 Ordinary Shares, representing 2.98% of the total issued shares, and the equity dilution is still limited.

Note 1: The employees' warrants had been provided for more than a year at the end of 2021, and the unissued 1,000 units became invalid. The employee share warrants expired on October 20, 2025.

(II) Names of managers who have obtained employee stock options as of the publication date of the annual report and the top ten employees in terms of the number of shares that can be subscribed by the certificates, as well as their acquisition and subscription conditions:

December 31, 2025 Unit: NTD thousands/thousand shares

<table>
<tr><th rowspan="2"></th><th rowspan="2">Title</th><th rowspan="2">Name</th><th rowspan="2">Quantity of subscribed shares (thousand shares)</th><th rowspan="2">Ratio of Acquisition of subscribed Shares to total issued Shares (Note 1)</th><th colspan="4">Executed</th><th colspan="4">Unexecuted</th></tr>
<tr><th>Number of shares subscribed</th><th>Subscription price</th><th>Amount of subscription</th><th>Percentage of number of shares subscribed to total number of shares issued (Note 1)</th><th>Quantity of obtained subscribed shares (Number of sheets)</th><th>Subscription price</th><th>Amount of subscription</th><th>Ratio of subscribed shares to the total issued shares (Note 1)</th></tr>
<tr><td>Managerial personnel</td><td>Accounting Supervisor</td><td>Wang, Mei-Yu</td><td>70</td><td>0.07%</td><td>0</td><td>17.3</td><td>0</td><td>0.00%</td><td>70</td><td>16.6</td><td>1,162</td><td>0.07%</td></tr>
<tr><td rowspan="12">Employee</td><td>CEO of a subsidiary</td><td>Feng-Shuen Li</td><td rowspan="2">160</td><td rowspan="2">0.16%</td><td rowspan="2">160</td><td rowspan="2">18.7
17.3</td><td rowspan="2">2,880</td><td rowspan="2">0.16%</td><td rowspan="2">0</td><td rowspan="2">18.7
17.3</td><td rowspan="2">0</td><td rowspan="2">0.00%</td></tr>
<tr><td>Project manager</td><td>Huang, Yu-Cheng</td></tr>
<tr><td rowspan="8">Resigned employees among the top 10 holders</td><td>Sun, Cheng-Chiang</td><td rowspan="8">1,650</td><td rowspan="8">1.64%</td><td rowspan="8">630</td><td rowspan="8">18.7
17.30</td><td rowspan="8">9,596</td><td rowspan="8">0.63%</td><td rowspan="8">1,020</td><td rowspan="8">Not applicable</td><td rowspan="8">0</td><td rowspan="8">0.00%</td></tr>
<tr><td>Sun, Cheng-Hua</td></tr>
<tr><td>Yang, Chen-Chung</td></tr>
<tr><td>Mok, Yi-Hwa</td></tr>
<tr><td>Chang, Geng-Rong,</td></tr>
<tr><td>Lin, Hsien-Chang</td></tr>
<tr><td>Cheng, Ren-Wei</td></tr>
<tr><td>Wu, Ju-Yan</td></tr>
<tr><td>Other current employees</td><td></td><td>240</td><td>0.24%</td><td>80</td><td>18.7</td><td>1,430</td><td>0.08%</td><td>160</td><td>16.6</td><td>2,656</td><td>0.16%</td></tr>
<tr><td>Resigned employees</td><td></td><td>880</td><td>0.87%</td><td>246</td><td>18.7</td><td>6,192</td><td>0.24%</td><td>634</td><td>Not applicable</td><td>0</td><td>0.00%</td></tr>
<tr><td colspan="2">Total</td><td></td><td>3,000</td><td>2.98%</td><td>1,116</td><td></td><td>20,098</td><td>1.11%</td><td>1,884</td><td></td><td>3,818</td><td>0.23%</td></tr>
</table>

Note 1: The “total issued shares” refers to the share number listed in the change registration at the MOEA.

VI. Issuance of new shares with restricted employee rights: None.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of Capital Utilization Plans: The Company has completed all previous issuances or private placements of securities and has not experienced any situation where planned benefits have not materialized.

Four. Operational Highlights

I. Business activities

(I) Main scope of business

1. The scope of the Company's business is as follows:
   (1) CA01030 Iron and Steel Casting
   (2) CA01040 Aluminum Casting
   (3) CA01060 Steel Wires and Cables Manufacturing
   (4) CA02020 Aluminum and Copper Products Manufacturing
   (5) CA02030 Screw, Nut and Rivet Manufacturing
   (6) CA03010 Metal Heat Treatment.
2. Sales percentage of major products:

Unit: NT$ thousand

Product	2025 sales revenue	Operating weight
Revenue from screws	869,682	17.18%
Revenue from scrap iron	2,340,566	46.24%
Logistics and transport revenue	462,155	9.13%
Contracting revenue	346,448	6.84%
Income from electricity sales	162,886	3.22%
Revenue from construction	114,865	2.27%
Revenue from operations	20,033	0.40%
Other income	272,612	5.39%
Concession agreements		
Income from electricity sales	260,024	5.14%
Waste disposal	180,926	3.57%
Revenue from construction	2,882	0.06%
Revenue from operations	28,955	0.57%
Total	5,062,034	100.00%

3. Current products (services) of the Company

Company	Main products	Product specs
OFCO Industrial Corp.	Bolt and combination products	Hexagon bolts, hexagon socket bolts, flange bolts, carriage bolts, special bolts, etc.
TSG Transport Corp.	Freight transportation, scrap iron trading	None
TSG Environmental Technology Corp.	Waste removal	None
Yung Fu	Operation of incinerator	None
TSG Power Corp.	Solar power generation equipment construction	None

4. New products (services) planned to be developed:

Company name	New products (services) planned for development
OFCO Industrial Corp.	New industries are being developed as future core businesses.
TSG Transport Corp.	In addition to undertaking the internal transportation needs of the Group, the Company will also actively develop new customers outside the Group.
TSG Environmental Technology Corp.	Oxidized ballast, reduced ballast and dust collection ash recycling.
Yung Fu	Actively participated in the successive domestic tenders for incinerator rectification (ROT) and BOT
TSG Power Corp.	Installing solar power as a renewable energy source.

(II) Industry Overview

1. Current status and development of the industry

A. Screw and nut industry

The development of screw products in Taiwan has a history of more than 40 years. In the early stage of development, the domestic market was the major force. Due to the rapid development of the industry and the improvement of manufacturing technologies, the Taiwanese screw industry has grown greatly in terms of both quantity and quality; the excellent quality and accurate delivery time won the trusts from the western customers, making Taiwanese screws and nuts to become export-oriented and the direct export ratio accounts for nearly 90%. Generally, screw manufacturers are only engaged in the screw forming and processing in the screw manufacturing process; for processing processes such as wiring and heat treatment that require huge investment in equipment, procurement or outsourcing are often adopted.

In January 2026, the International Monetary Fund (IMF) released an updated World Economic Outlook, revising upward its global economic outlook for 2026. The improvement was mainly driven by companies adapting to high U.S. tariffs through supply chain relocation, reduced tariff levels under trade agreements, and strong investment in artificial intelligence (AI), which has supported asset markets. However, the IMF also warned that a potential AI bubble or a resurgence of geopolitical and trade tensions could still pose risks to the global economic outlook.

The World Steel Association (WSA) released its latest Short-Term Demand Forecast (SRO) report in April 2026, projecting a slight 0.3% increase in global steel demand to 1.724 billion tons in 2015, a downward revision from the previous forecast of 1.3%. In 2026, however, demand is expected to accelerate by 2.2% to 1.762 billion tons, benefiting from a regional shift. The WSA's Market Research Committee stated that since 2022, the global market has undergone a long and challenging structural adjustment, resulting in prolonged pressure on steel demand, but they are confident that global steel demand has bottomed out and is rebounding.

In February 2026, the Middle East war broke out. Germany, Taiwan's largest export destination for fasteners, was disrupted by soaring energy prices, leading to a sharp drop in demand for upstream components and fasteners. Domestic fastener manufacturers faced unprecedented challenges.

B. Transportation service industry

According to a report released by Atradius in February 2025, the global transportation and logistics industry is expected to grow steadily in 2025 and 2026. The primary drivers of this growth were the recovery of business investment and manufacturing in the Americas, Asia Pacific, and Europe, as well as strong demand for durable consumer goods and e-commerce fueled by increased household purchasing power. Despite strong growth momentum, the global transportation and logistics industry still faces Material Risks, including geopolitical Risk, highly volatile fuel prices, labor shortages, labor-management disputes, and ever-increasing green transportation requirements that have continued to squeeze Entity Profit. The outbreak of the US-Iran conflict at the end of February 2026 once again highlighted the impact of geopolitical factors on the stability of the global shipping industry. The uncertainty surrounding the Red Sea crisis has resurfaced. Despite recent benefits to the container shipping industry from the conflict, which created an opportunity for short-term freight rate increases, the shipping capacity diluted by detours has since returned to the market as the conflict subsided. The structural over-supply problem of the industry has re-emerged, coinciding with the peak vessel delivery period. The imbalance between supply and demand may be more severe than in the past.

C. Circular economy and waste disposal industry

a. Circular economy industry

The Company's subsidiary TSG Environmental Technology Corp. initially focused its operations on the removal and treatment of waste generated from the operations of the steel plant of the Taiwan Steel Group. Recycling of iron and steel as the main raw material is a typical resource reuse industry. Among them, oxidized slag and reduction slag are the waste items with the largest output.

Since last year, the subsidiaries have undergone an adjustment to their business Items. Taichung Iron & Steel Environmental has taken over all scrap iron Acquisition and sales, resulting in a significant increase in scrap iron purchase volume and an expansion of its business to include the clearing of oxidation and reducing slag intragroup.

b. Waste disposal industry

In June 2020, the Company acquired 99% of the equity of Yung Fu Company, which therefore became a entity in the consolidated report. By the end of 2024, we acquired the contract for the incinerator renovation and operation transfer of the Kanding incinerator in Pingtung and its subsequent 20-year operation contract, as well as a new 20-year operation contract for the Hsinchu incinerator.

The amount of general waste generated nationwide in the past 10 years

Statistics period	**Total production (metric tons)**	**General waste (metric tons)**	**Resource waste (metric tons)**	**Kitchen waste (metric tons)**	**Average daily general waste generation per person (kg)**
2016	7,461,342	3,133,582	3,751,828	575,932	0.867
2017	7,870,896	3,130,735	4,188,829	551,332	0.915
2018	9,740,671	4,317,339	4,828,340	594,992	1.132
2019	9,812,418	4,290,856	5,023,517	498,045	1.139
2020	9,869,675	4,062,029	5,278,079	529,567	1.144
2021	10,049,062	3,895,153	5,666,869	487,041	1.173
2022	11,238,654	4,799,426	5,950,352	488,876	1.320
2023	11,579,543	4,827,044	6,273,722	478,777	1.359
2024	11,839,965	4,828,113	6,506,546	505,306	1.382
2025	11,737,126	4,644,329	6,570,968	521,830	1.377

Source: Environmental Protection Administration Environmental Resources Database
https://erdb.epa.gov.tw/

The garbage that must be incinerated does not only include the general waste (living garbage) produced by households. Some of the general industrial waste generated by profit-making businesses are also disposed of in incinerators, increasing the capacity burden of existing large-scale incineration plants. The table above summarizes the waste into incineration plants and incineration treatment operations.

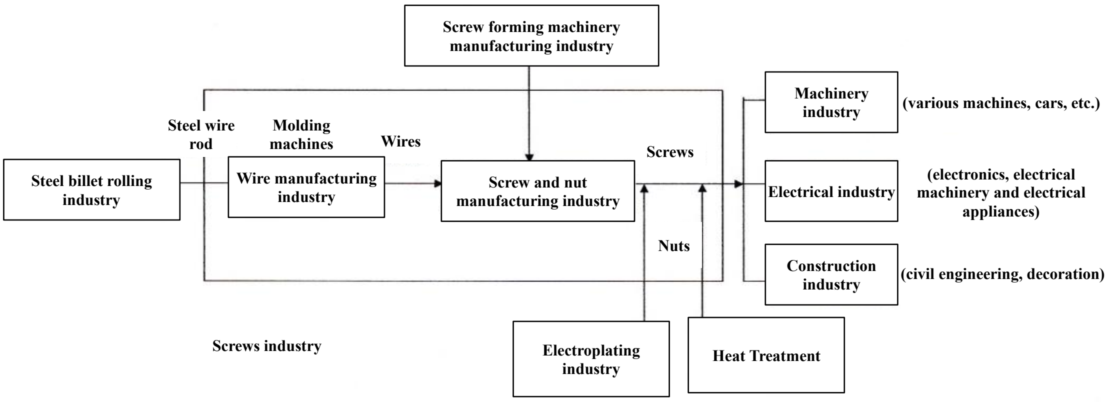
2. The links between the upstream, midstream and downstream segments of the industry

Screw and nut industry

(1) Upstream raw materials: the main raw material of screws and nuts is existing steel wire rods. The largest domestic manufacturer of steel wire rods is China Steel, and other manufacturers include Yeh Hsing, Tycoons, Feng Hsing and Guantian and Wei Chih Steel. The steel wire rods must be processed by wiring before being made into screws and nuts. After the fastener manufacturers purchase the steel wire rods, to deliver to a professional wiring plant for processing or wire by itself; the above-mentioned raw material suppliers and wiring processors are the upstream of the fastener business.

(2) Midstream of the fastener industry: manufacturing and the production includes forming, thread rolling, heat treatment, surface treatment and multi-piece assembly of finished products for screws, bolts, nuts, rivets and washers.

(3) The downstream is the distribution channels: all fields such as machinery, automobiles, electronics, electrical machinery, aerospace and construction are all sectors for downstream applications. Generally speaking, the higher the degree of industrialization, the greater the demand for fastener products. The consumption of fastener products can be deemed as an important indicator to measure the degree of industrial development of a country. The relationship between the up-, mid- and downstream of the fastener industry in Taiwan is listed as in the following chart:



2. Development trends of products

Screw and nut industry

➢In the future, the screw industry will still focus on improving process technology to reduce production costs, establish a consistent operating system, increase efficiency and transform to high value, for the development trend of establishing market segmentation.

➢Improve process technology to reduce production costs

The competitive pressure of the business model has led to continuous R&D and innovation of the product technologies by market players, to simplify the raw materials, the diameter of the wire and the wiring; the automation machinery equipment and the ERP computer system are also updated to improve product quality in line with customer requirements and recognition and to widen the gap from competitors.

➢Establish a consistent operating system to increase efficiency

While the supply chain of the fastener industry is mature, most of the industrial clusters are concentrated in Kaohsiung and Tainan. Most of the commissioned processing manufacturers are small enterprises. In case of emergency, it is difficult for them to control and cooperate for Q (quality), C (cost), and D (delivery time), and thus they tend to lose business opportunities. Therefore, vertical integration of manufacturers for the establishment of a consistent operating system will help to secure the safe supply, strengthen competitiveness and reduce costs.

➢High-value transformation to establish market segment

Competition from manufacturers of China and Southeast Asia is the driving force for the industry growth. To reduce costs, the western companies continue to release high-value-added orders to Asian companies, prompting domestic companies to actively transform and develop high-value-added fasteners, such as aerospace fasteners, automotive fasteners, electronic fasteners, among other things and thus the transformation of Taiwanese fastener industry are elevated.

4. Competitions of products

Taiwan enjoys the reputation of "Screw Kingdom" in the world; with good quality and fast delivery, Taiwan occupies a place in the global screw and nut supply market. According to the analysis of Taiwanese screw and nut market by the Metal Industries Research & Development Centre, the current annual production volume of screw products in Taiwan is about 1.4 million tons and nearly 80% of which are direct exporters, making Taiwan one of the largest suppliers of screws and nuts in the world. After years of development, Taiwanese fastener industry has formed the industrial clusters with a fine division of labor. The upstream and downstream structures are complete, which reduces the proportion of material costs to the total cost and lower the impact of material price fluctuations. In addition, domestic screw products have actively developed toward the market of high value-added applications in recent years, and expanded the fields such as aerospace, automotive and medical application, with the increased average unit price of exports, the upgrading and transformation of screw and nut industry in Taiwan has been accelerated and secured the position of Taiwanese screw products in the global supply market.

(III) Overview of technologies and R&D

1. R&D Expenses Invested in the Most Recent Year and Up to the Annual Report Publication Date: The Company has leased its plant and equipment to Chunyu Factory since March 2025 and changed to purchase finished screws for Sale instead of manufacturing them on its own. In principle, no new product development has been conducted, so the estimated R&D expenses for 2026 is NT$ 0.

Unit: NT$ thousand

Item/Year	2024	2025	As of March 31, 2026
R&D budget	2,930	1,257	0
to sales amount	0.21%	0.12%	0%

2. Technologies and/or products successfully developed

The technologies or products successfully developed in the most recent year are as follows:

Year	Technologies and/or products successfully developed
2022~2023	and the deficiencies of 5G AIoT system have been continuously improved, to expand the AIoT to all processes.

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

1. Short-term development plans

A. Order and Shipment Policy

Orders received by sales persons are converted into "Production Notices", with production and shipment by lot to make the production management system smooth.

B. Operational management strategies

Taking orders requires a focus on cost and profit optimization; establish long-term project contracts with customers.

C. Finance strategies

Leverage foreign exchange hedging tools to reduce exchange losses or lock in profits.

2. Long-term development plans

A. Production policy and product R&D

Leverage and integrate the Group’s resources to create win-win outcomes.

B. Financial strategy

To cope with the growth of long-term operation scale, the Company will strengthen the Company's financial structure and by adopting sound and diversified financing channels, the most appropriate combination of capital needs will be built.

C. Operations Strategy

Develop new businesses and grow the Group's core operational items.

II. Market and production and sales overview:

(I) Market analysis

1. Geographic areas where the main products (services) of the company are provided (supplied)

Unit: NT$ thousand

Year Area/Amount		2025		2024	
		Amount	Ratio	Amount	Ratio
Domestic sales		4,227,803	83.52%	3,156,887	76.33%
Export sales	Germany	341,050	6.74%	401,642	9.71%
	USA	108,537	2.14%	123,682	2.99%
	Other countries	384,644	7.60%	453711	10.97%
Total		5,062,034	100.00%	4,135,922	100.00%

2. Market share

The export value of screws, nuts, and rivets in Taiwan was US$4.488 billion in 2024 and US$4.377 billion in 2025. Based on the Company's revenue of approximately US$43 million and US$33 million in 2024 and 2025, respectively, its share of the total Sale value of the screws, nuts, and rivets industry was 0.96% and 0.75%, respectively. In the future, the Company will continue to improve the process technologies and effectively reduce production costs to achieve the benefits of economies of scale, for the gradual expansion of the operation scale.

3. Demand and supply conditions for the market in the future, the market's growth potential and the competitive edges

(1) Future market supply and demand and growth

The World Steel Association (WSA) published its latest short-range steel demand forecast report in October 2014, indicating that 2014 marked the bottoming-out year for global steel demand. The report Forecasts demand will remain roughly flat at about 1.749 billion tons. A slight rebound to 1.772 billion tons is expected in 2015, a 1.3% increase driven by a slowing decline in China, the restart of growth in Europe, and continued strength in Development in developing countries. However, high manufacturing Cost, consumer pressure, trade frictions, and geopolitical uncertainty may pose main Risks.

Global fastener demand has slowed in recent years, and low-price dumping from China and Southeast Asia has created the most significant crisis the fastener market has seen in years. Taiwan, one of the world's top three fastener exporters, is facing an unprecedented challenge as a result. Germany is the largest economy in Europe. Since the outbreak of the Russia-Ukraine war, the German economy has been in continuing decline, with a particularly evident impact on the manufacturing industry. Bankruptcy among metal products, machinery and automotive supply chain Entities has increased significantly, rising more than 30% year-on-year. This has led to a sudden drop in demand for upstream components and fasteners. As Germany is a major export destination for Taiwanese screws, several Taiwanese screw manufacturers have been deploying in Germany for many years and are now experiencing a significant tightening of orders.

(2) Competitive edges

In recent years, demand for fasteners has slowed. To strengthen order resilience, the Company has also reduced Cost by renting out plant equipment and consolidating production with related Entities. Furthermore, it has worked to increase Margin by purchasing finished screws for resale.

4. Positive and negative factors for future development and the response to such factors:

4-1 Positive factors:

4-1-1 The products have a wide range of usages and strong market potential. Screws and nuts are indispensable fasteners for various industrial and construction equipment, with a rather wide scope; and there is no substitute for these products, nor the issues like product life cycle. As the economy grows, the demand continues to increase, with very strong market potential.

4-1-2 The supply of raw materials is gradually abundant and the quality is good

The main raw material for screws and nuts is steel wire rod which is mainly supplied by China Steel Corporation. In recent years, private steel manufacturers have successively entered the market, and the prices of raw materials have been stable. Therefore, as the raw materials, prices and sources are easy to control, it is conducive for the production planning, cost control and production capacity increase, to strengthen the international competitiveness.

4-1-3 The industrial system is complete, conducive to the development of the industry

The production technologies and experience are mature, with healthy upstream and midstream manufacturers to provide high-efficiency production equipment and molds, and a timely processing system at the downstream. They complement each other to form a complete and powerful industrial chain.

4-1-4 Stable quality, well received by customers-

The Company values product quality very much, and has established the quality policy requiring "strengthening quality and quantity, implementing management capabilities, and improving customer satisfaction," to establish a complete quality inspection system and testing laboratory; after long-term efforts, the stable quality has been recognized by customers.

4-2 Negative factors:

4-2-1 Difficulties in hiring manpower and rising costs year by year

The labor supply and demand of domestic traditional industries are unbalanced, and it is difficult to recruit workers. Facing this trend, in addition to improving employee benefits, the Company will strengthen the introduction of automation and improve the working environment in the future. Meanwhile, the Company also introduces foreign laborers and provides them with professional and intensive training, to prepare them in the shortest time and maximize production capacity.

4-2-2 Price competitions among market players

Screw and nut manufacturers from Southeast Asia and China have taken advantage of their cheap labor and land costs, and mass production, to seize the global market with low-price product strategies. On top of that, there are more than a thousand screw manufacturers in Taiwan and most of them are small enterprises. Limited by the scale and financial resources, they cannot effectively improve their research and development and international marketing capabilities. Therefore, to maintain a certain growth, they also adopt the competition pattern by seizing orders with low prices and thus affect the order of production and sales in the industry.

4-3 Response

4-3-1 Fully leverage the commonality of manufacturing technologies to reduce development costs.

4-3-2 Continue R&D and innovation of product technologies, simplify the raw materials used, the diameter of the wire, and the wiring; update the automation machinery equipment and the ERP computer system to improve product quality to be in line with customer requirements and win their recognition, and widen the gap with competitors.

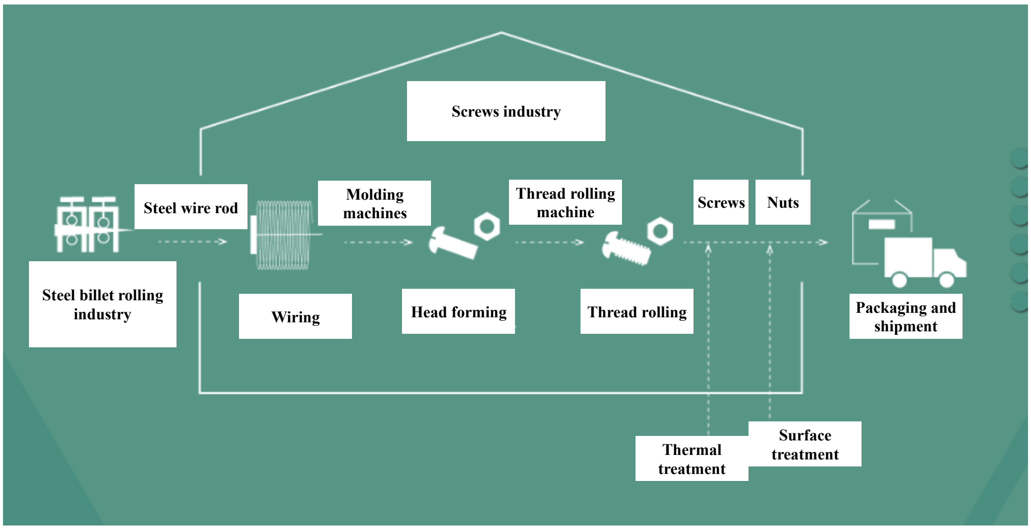
4-3-3 While the supply chain of the fastener industry is mature, most of the industrial clusters are concentrated in Kaohsiung and Tainan. Most of the commissioned processing manufacturers are small enterprises. In case of emergency, it is difficult for them to control and cooperate for Q (quality), C (cost), and D (delivery time), and thus they tend to lose business opportunities. Therefore, the vertical integration for the establishment of a consistent operating system will secure the safe supply, strengthen competitiveness, and reduce costs.

4-3-4 Strengthening training and talent quality: With the overseas relocation of industries, talents in traditional industries have been lost gradually, and it is necessary to actively cultivate outstanding talents while upgrading and transforming the industry to develop high value-added products.

(II) Usage and manufacturing processes for the company's main products:

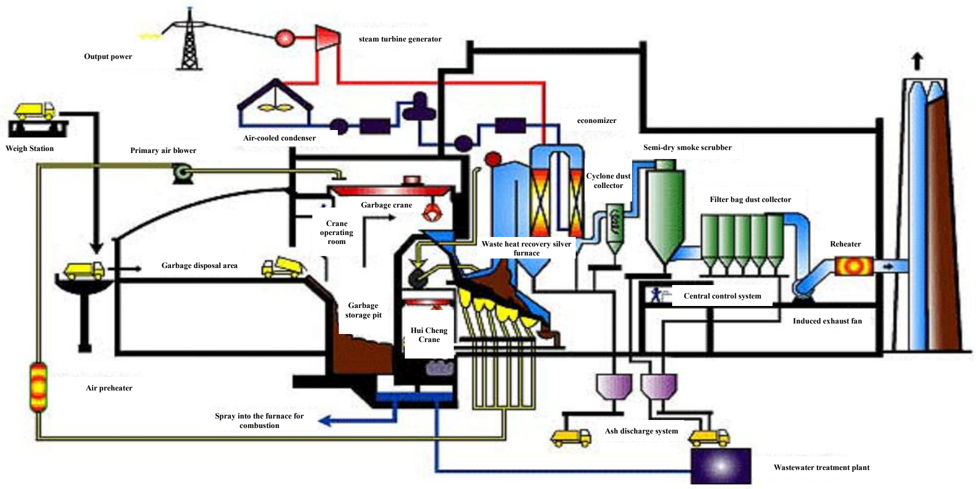
1. Main uses of main products: It can be widely used in fastening various industrial products such as industrial machinery, motors, electrical appliances, construction, transportation equipment, and petrochemical industry. It is also widely used in public engineering, especially bridges.
2. Production process:

<u>Screw and nut industry</u>



Operation of incinerator

Flow chart of incineration factory's waste treatment



(III) Supply of main raw materials:

In the most recent year, the Company primarily procured steel ingots or wire coils, and wire through joint purchasing with Chunyu to meet demand. However, starting in March 2025, the Company switched to purchasing finished screws from Chunyu, ensuring a stable supply of raw materials. We also actively manage Cost and enhance product added value.

(IV) Customers accounting for 10 per cent or more of the company's total procurement (sales) amount in either of the two most recent years, the amounts bought from (sold to) each, the percentage of total procurement (sales) of each, and the reason for increases or decreases.

1. Information on major suppliers in the last two years

Unit: NT$ thousand

Item	2025				2024				As of March 31, 2026			
	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases of the current year up to March 31 (%)	Relationship with the issuer
1	Chun Yu	410,952	11%	Related Parties	Chun Yu	590,418	57%	Related Parties	Chun Yu	106,166	12%	Related Parties
2	Sheng He	359,029	9%	None	Quattro LLC	305,433	30%	None	Sheng He	91,310	10%	None
3	Jin, Qian-Kun	281,810	7%	None	Others	131,502	13%	None	Crown	64,050	7%	None
4	Others	2,843,771	73%	None					Others	637,329	71%	None
	Net purchase	3,895,562	100%		Net purchase	1,027,353	100%		Net purchase	898,855	100%	

2. Information on major Sale customers for the most recent two years.

Unit: NT$ thousand

Item	2025				2024				As of March 31, 2026			
	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	Company A	2,453,374	48%	None	Company A	935,869	23%	None	Company A	367,816	32%	None
2	Company B	500,556	10%	None	Company B	481,309	12%	None	Company B	349,709	30%	None
3	Company C	389,937	8%	None	Company C	452,705	11%	None	Company C	85,105	7%	None
	Others	1,718,167	34%	None	Others	2,266,039	55%	None	Others	365,384	31%	None
	Net sales	5,062,034	100%		Net sales	4,135,922	100%	None	Net sales	1,168,014	100%	

III. Employees information for the past 2 fiscal years and up to the date of publication of the annual report

March 31, 2025

Year		2025	2024	For the year ended March 31, 2026
Number of employees	Direct personnel	143	374	153
	Indirect personnel	161	160	164
	Total	304	534	317
Average age		44.98	41.97	45.62
Average year of service		3.44	2.18	3.25
Education distribution	Masters or above	4.04%	6.78%	13.78%
	Bachelor 's	58.49%	59.95%	50.49%
	High School	34.91%	26.40%	33.28%
	High school and below	2.56%	6.88%	2.45%

IV. Information on environmental protection expenditure

(I) Possible losses due to environmental pollution incidents (including any compensation paid) during the current fiscal year up to the date of publication of the annual report:

Year	2025	2024	As of March 31, 2026
Pollution status (type, degree)	None	None	None
Agency imposed disposition	None	None	None
Disposition status	None	None	None
Other losses	None	None	None

(II) Process of environmental pollution improvement in the most recent year: None.

(III) Information of response to the Restriction of Hazardous Substances (RoHS): not applicable (the Company is not subject to RoHS).

(IV) Establishment of dedicated environment management unit or personnel

1. Establishment of personnel for air pollution prevention
Class A air pollution control specialist: Yang Wen-Bin, who held Environmental Protection Agency Training Certificate No. FA280314 issued in 2014.
2. Establishment of personnel for waste disposal
Class A waste treatment technician: Chuang, Hui-Chen (2028) Environmental Protection Administration training certificate HA310241.

V. Labor relations

(I) Various benefit measures, continuing education, trainings, retirement system and the implementation thereof, labor-management agreements and various protective measures for employees' rights and interests

[Overall remuneration policy]

1. Employee compensation

   Article 23 of the Company's Articles of Incorporation stipulates that the Company shall provide 1% to 3% of the current year's profit as the employees' remunerations; the above-mentioned profit status for the year refers to the income before taxation before the distribution of employees' remuneration and directors' remuneration. In March 2026, the company's board of directors approved the decision not to pay employee compensation due to operating losses in 2025.

2. The Company provides the performance-oriented rewarding system, to motivate the departments and employees with outstanding performance. The Company pays performance bonuses and production bonuses based on business conditions and performance of departments and individuals and adjusts wages based on the relevant laws and regulations such as the Labor Standards Act. Each unit calculates the wages according to the following indicators:

   • The production department is based on its monthly production volume and yield performance indicators

   • Business departments are based on their order volume and price

   • Management department will decide based on the nature of the work and performance

3. A monthly bonus system was introduced many years ago to allow employees to share results, effectively and immediately motivating employees. In addition to measuring the above indicators, the monthly bonus system also combines various indicators (such as work safety indicators, environmental pollution discharge, carbon reduction, quality indicators, etc.) to continuously integrate sustainable development into the Company's operations to achieve sustainable management.

4. In addition to achieving the Company's established work goals, a company-wide promotion of environmental friendliness is made to the Company's employees from top to bottom and the concept of taking nature as the core and social benefits is introduced into the incentive reward system to feed back to hard working employees.

[Equal wages and compensation]

1. To achieve equal pay for equal work and equal promotion opportunities of both genders, implement a friendly workplace, promote gender equality and develop sustainable and co-prosperous operating performance, the Company's promotion, rewards and disciplinary actions and wages does not discriminate based on gender. Due to the nature of our line of business, the gender ratio of the Company's employees in 2025 was 67%:33%. However, the gender ratio in supervisory positions was 42%:58%. Salary conditions for male and female employees were consistent, and there was no gender-based disparity. Based on the Company's personnel management regulations, the Company employs the selected personnel according to the qualifications of each grade and pays wages based on the standards set in the employee wages and job grade schedule. The wages of personnel at each level does not differ due to gender, to establish a working environment with equal pay for equal work and truly implement the concept of gender equality in the workplace.
2. Employees may also apply for leave without pay in cases of childcare, serious illness or injury, or major personal hardship requiring an extended leave of absence. They can be reinstated upon completion of the leave or request an earlier return to work, to balance personal and family care needs.

[Workplace Diversity and Promotion of Gender Equality Policies]

The Company is committed to providing an equal and safe working environment, implementing employment diversity, fair compensation and promotion opportunities, and ensuring that employees will not suffer discrimination, harassment or unequal treatment due to race, gender, religious beliefs, age, political inclinations or any other status protected by applicable laws and regulations. We value employee diversity and employ employees with disabilities in accordance with legal requirements. In 2025, there were no reported violations of labor rights or human rights. No employees with disabilities were hired in 2025.

• Employee Ethnicity Indicators

Nationality	Percentage
Taiwanese nationality	42.77%
Foreign nationals	57.23%
Indigenous people	0.00%
Total	100.00%

Description: Due to the characteristics of the industry, the Company has introduced a large number of foreign employees.

• Comparison of Job Grades

Gender	Job Category	%
Male	High-end	2.02%
	Intermediate	3.03%
	General	61.70%
Female	High-end	1.45%
	Intermediate	5.64%
	General	26.16%

Description: The ratio of female mid-level managers in the Company is higher than that of male mid-level managers.

• Gender diversity indicators

Gender	Percentage
Male	66.76%
Female	33.24%

Description: The Company is a labor-intensive industry, and the majority of employees are male.

3. Application for parental leave in the last two years

Description	Male/people	Female/people	Total
Actual reinstatement from the parental leaves in 2025	0	0	0
Still employed 12 months after returning to work from parental leave in 2025.	0	0	0
Employees who actually applied for parental leave in 2025	1	1	2
Expected reinstatements after parental leaves in 2024	1	2	3
Actual reinstatements after parental leaves in 2024	1	3	4
Employees retained after 12 months from reinstatement after parental leaves in 2024	0	2	2

[Welfare measures]

To establish a management system and solidify organizational functions, the Company formulates employee welfare policies in accordance with the Labor Standards Act and relevant laws and regulations, and establishes the Employee Welfare Committee in the organization, to plan employee benefit measures, seeking to stabilize employees' lives and protect employees' rights and interest, and to further enhance the labor-management harmony.

Welfare measures directly handled by the Company

Benefit item	Content
Year-end bonus	To reward employees for their hard work, year-end bonuses are provided depending on the Company's profitability, employee performance, and their seniority. The 2025 year-end bonuses were distributed at the beginning of 2026.
Employee compensation	Every year, based on the Company's profit, employee remuneration is provided pursuant to the Company's Articles of Incorporation, and distributed to employees. No employee remuneration was distributed in 2025 due to the operating loss.
Employee insurance	Employees are insured with the labor insurance, national health insurance and group insurance from the day they go onboard.
Establishment of nursery rooms	Staff who cater to childcare needs
Year-end party	The year-end party is coordinated by the management department, for all employees to gather to dine and have fun, with various programs, competitions, lucky draw and other activities to form the loyalty of employees.
Employee uniforms	Provide employees with summer and winter uniforms every year
Health check	In addition to the physical check required for new employees, a free physical check is provided to employees every year. A hospital is contacted to send medical staff to the plants, to provide medical consultation and inspection for employees (the physician visit is once a quarter, and the nurse visit is twice a month). A total of 10 employees participated in the employee health check-ups conducted in October 2025.
Recreational activities	Employees are arranged to watch various ball games to improve their physical and mental health. In 2025, the company organized four professional basketball and baseball games, with a total of 180 employees and their dependents in attendance.
Employees’ subscription warrants	We have established a stock option program as a long-term incentive. All employees of the Company and its subsidiaries with outstanding work performance are included in the incentive plan. Depending on the operating conditions and employee retention plan, we will issue a certain amount of employee stock options and distribute them to eligible employees. In 2020, the Company was approved by the Regulator to issue 3,000 share options, which could be transferred into and subscribed for the Company's Ordinary share starting from October 2022. In 2025, a total of 0 employees of the Company and its Subsidiary exercised the transfer into 0 thousand Ordinary shares.

Welfare measures conducted by the Employee Welfare Committee

Benefit item	Content
Subsidies for weddings and funerals	• Employees may apply for subsidies according to regulations for their weddings, childbirths or death of family members. • Subsidies to encourage employees to get married and have children: Wedding bonuses: 1 person applied in 2025, with a total subsidy of NT$6,000; Childbirth subsidies: 2 people applied in 2025, with a total subsidy of NT$6,000.
Gift money for festivals	The Employee Welfare Committee provides gift money for Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival and Labor Day. In 2025, a total of NT$880,000 in Cash and gift certificates was issued.
Travelling	Depending on the operating conditions, we arrange employee travel to promote their physical and mental health and enhance the friendship among employees. In 2025, employee numbers decreased significantly, and no domestic or international travel was planned.
Employees’ clubs	Employees are encouraged to organize groups to participate in sports and other leisure activities, and the relevant expenses will be subsidized by the welfare committee.
Promote the prevention and treatment of obesity, high blood sugar and high cholesterol	To encourage employees to focus on their physical health and improve their weight management knowledge, two health lectures were held: one at the Qiaotou Factory on May 7, 2025, and another at the Jiuru Road office on November 27, 2025. The lectures, titled "Cracking the Three Highs and Winning the Battle" and "Eating Healthy While Dining Out and Easily Maintaining Weight Loss," saw a total of 26 employees participate.

Benefit item	Content
among employees	

2. Continuing education and trainings

2-1 Complete orientation for new comers

The Company provides orientations for all new recruits, so that employees will understand the plant environment and work requirements through the planning of a series of courses. For administrative and engineering personnel, professional training contents related to manufacturing process and operations have been added, seeking to have them better understand the production, manufacturing process and product services.

2-2 Implementation of systematic trainings for each dedicated system

All dedicated personnel carry out training operations based on the relevant certification system; each year, the relevant personnel are provided with a series of training courses with themes based on their functions and on the annual training themes. In addition to dedicated personnel, each management level also conducts training for each level based on the requirements of their duties.

2-3 Education and training methods

2-3-1 Continuing education and training for internal staff: internal officers lecture various professional skills.

2-3-2 Participate in advanced training and training organized by external units

2-4 Table of Statistical on continuing education and training in 2025

Item	Times of class	Total attendees	Total hours	Total expense (NT$)
Safety and health trainings	2	20	60	0
Professional function trainings	16	40	332	31,400
Total	18	60	392	31,400

3. Retirement system and its implementation:

To take care of employees and stabilize their lives after retirement, the Company has formulated labor retirement regulations in accordance with the provisions of the Labor Standards Act. Pursuant to the regulations, 2% of the total salary paid is contributed to the retirement reserve fund every month (the full amount has been provided and the provision has been suspended upon the approval of the competent authority). For the employees applicable to the new system of retirement methods, 6% of the monthly salaries are provided as their pension in accordance with the regulations.

	New pension system	Old pension system
Specific content	The Company takes care of its employees The Company contributes 6% of monthly salaries to the Pension for new recruits and employees who opted for the new retirement scheme since July 1, 2005, depositing it monthly into their individual account to help stabilize their post-retirement life.	For employees who opted to apply the old pension system, 2% of the total salary paid is contributed to the retirement reserve fund every month to the pension account with Bank of Taiwan.
Impleme ntation	Paid on time as required by laws in 2025, a new retirement pension contribution of NT$ 1,909 thousand was made.	• This pension has been fully provided and has been suspended upon the consent of the competent authority. • Local employees with years of service under the

		old system have had their pensions fully settled by the end of 2023. • As of December 31, 2025, the special account balance was NT$5,880 thousand. The overpaid pension has been applied for from the Taiwan Bank pension special account since the beginning of 2026.

4. Other important agreements: the Company values the opinions of employees and holds labor-management meetings regularly (at least four times a year).
5. Employee rights and benefits protection:
   5-1 The Company complies with the Labor Standards Act and other relevant laws and regulations for the matters related to employees' rights and interests. There is also the Employee Welfare Committee in place; for the employee's welfare measures, discussions in depth between the labor and management are conducted to enhance harmony between the two parties.

   5-2 Employee's Code of Ethical Conduct

   To have employees to understand the conducts, integrity and ethics of employees, the Company has formulated relevant regulations, and announced such on the intranet or on the bulletin board, for all employees of the Company to comply with the regulations.

   5-3 Rules of hierarchical responsibility and approval authority

   The Company adopts the hierarchical responsibility, each position has a deputy; each department complies with the approval authority to ensure the normal operation of the Company's various businesses.

   5-4 The Company encourages employees to keep the environment clean and tidy and has occupational safety and health management personnel in place, to hold labor safety and health lectures from time to time, so that all employees are familiar with safety and health rules and a healthy, comfortable and safe working environment is provided for the employees. A total of 2 sessions were held in 2025, with 20 participants totaling 60 hours of attendance.

   5- 5 In order to prevent occupational safety accidents, provide a friendly working environment, and protect the safety of employees and employees of contractors (suppliers), we have introduced an occupational safety and health management system since 2020 and obtained the ISO 45001 certification in 2020, which is valid from April 30, 2023 to April 29, 2026.

   5-6 For the manufacturing machines, forklift, cranes and other machinery equipment used in the workplace, personnel are sent to receive operating training from time to time, with the protective equipment such as gloves, masks, earmuffs and safety shoes provided to reduce occupational injuries. The education and training or protective equipment purchased in 2025 included the following:

Training Courses/protective equipment	Number of participants/number of supplies	Amount (NT$)
Gloves and masks	443 dozen/49 boxes	23,827
Latex gloves	68 boxes	12,920

   5-7 Employee's complaint procedures for illegal (Including corruption) and unethical conducts

   The Company has set up a complaint box for employees' illegal or unethical behavior, and employees can also report it directly to their supervisors via e-mail or in person. Complaints by employees should state the whole incident, evidence and the whistle blower's name. When an officer receives a complaint, the complaint shall be forwarded to the Management Department or the President or the chairman. After finding out the facts, the disciplinary action will be taken toward the employees with illegal or unethical conducts accordingly.

5-8 Employee health check-ups were held annually, with the Company covering all Overheads, to ensure employee well-being.

Employee health check-ups were completed in October 2025, with a total of 10 employees completing them.

5-9 The Company has complete firefighting facilities and reports them for inspection regularly as required by law. Employees conduct fire drills every six months to familiarize themselves with firefighting concepts and the use of equipment, enhancing their safety in the event of a disaster. In 2025, fire drills were held at the Ziguan plant and Qiaotou plant in June and December, respectively. Each Segment sent approximately 20 to 30 employees to participate in each drill, which included fire-fighting training, notification training, and evacuation guidance training.

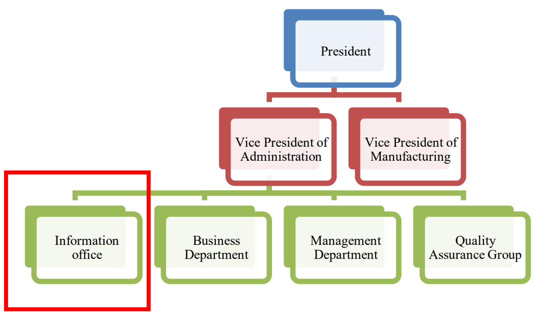
5-10 The Company has hired a security company to provide 24-hour access control management for the Company and factory area, and security Management of the surrounding environment.

(II) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None.

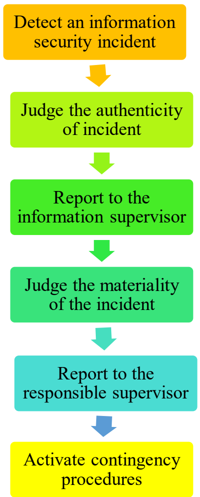
VI. Cyber security management

(I) Information security risk management framework

The Company's Information Office is the responsible unit for information security. This unit has one information officer and one information security officer responsible for formulating internal information security policies, planning and implementing information security operations, and promoting and implementing information security policies and outsourcing Communication and coordination between the Company and its employees, and regular reports the Company's information security governance to the Board of Directors. The Audit Office is the supervisory unit of information security supervision. There is one chief audit officer in this office to supervise the implementation of internal information security. If there are any deficiencies found after the audit, the audited unit will be required to propose relevant improvement plans and concrete actions immediately, and regular follow-up tracking is conducted for improvements, in order to reduce internal information security risks.



(II) Response procedures for external attacks on the information systems



(III) Information security policy

1. System specifications: Establish the Company's information security management system and regulate the work behavior of personnel.
2. Technology application: Establish information security management equipment and implement information security management measures.
3. Personnel training: Conduct information security education and training to enhance the information security awareness of all employees.

(IV) Specific management plan for information security

1. When an information system is subjected to improper use or deliberate sabotage by personnel, whether internal or external, the IT department manager shall convene a meeting according to the following procedures, to be attended by managers of all relevant Segments.
2. For technical issues, the information staff in the information room will propose solutions and subsequent preventive improvement measures.
3. and the Audit Office conducts internal audits on a regular basis.

(V) External and internal risk management

1. Personnel at all levels must comply with confidentiality regulations when accessing any company information and shall not disclose it to others.
2. If information required for official business involves personal data of others or confidential information, it must be provided only with the consent of the responsible supervisor.
3. Important documents and contracts must be kept securely. If documents are to be delivered, the folder must be sealed tightly to prevent unauthorized personnel from Acquisition of viewing them.
4. Computer passwords must be changed every six months. There are prohibitions against using the same password, and passwords should not be posted in easily accessible locations.
5. If a user is away from their seat for more than 5 minutes, their computer account must be locked or logged out to prevent unauthorized access.

6. Prohibitions against installing unauthorized software apply to all computers. Users are solely responsible for any legal consequences resulting from such actions.
7. Software, files, and websites of unknown origin are frequently sources of viruses. To ensure computer security, do not install or use them.
8. The computer system and data security must be managed and maintained by users themselves. If any system virus infection or abnormal situation occurs, IT personnel should be notified immediately to handle the issue.
9. All data should be backed up and stored regularly to prevent data loss from equipment failure or human error impacting business.
10. When leaving work, keep important documents secure and shut down any unused computer systems and peripheral equipment.

(VI) Resources invested in information security management

1. Information security has become an important issue for the Company's operations. The corresponding information security management matters and the Contribution of resources are planned as follows:
   - •Dedicated manpower: The Company has established a dedicated "Information Office" to be responsible for the Company's information security planning matters, in order to maintain and continue to strengthen information security.
   - •Customer satisfaction: There were no major information security incidents, and no complaints of customer privacy violation or loss of customer information.
   - • Contribution of resources: Two host vulnerability scan tests were performed in 2025.
2. In December 2025, the Company commissioned Chunghwa Secucom Co., Ltd. to use system automation tools, combined with its professional knowledge and information security technology, to conduct a vulnerability scan of our intragroup server hosts and provision exclusive test reports and system reinforcement recommendations. This operation performed a vulnerability scan of the Company’s ERP system and provisioned the Result to relevant units for reference, along with individual patch recommendations.
3. Education and Training: In 2025, a total of 10 person-hours of information security training course were completed for general employees through online courses. The main course content included personal privacy information concepts, cyber attack threats, and necessary knowledge of personal privacy information protection.

(VII) Losses incurred due to major information security incidents in the most recent two years and up to the date of publication of the annual report, possible impacts, and response measures. If it is impossible to reasonably estimate, an explanation of the fact that it is impossible to reasonably estimate: None.

VII. Important contracts:

Contract type	The party	Commencement dates Expiration dates	Main businesses	Restrictive clauses
Lease contract for the factory and equipment of Qiaotou Plant	Chun Yu Group	March 1, 2025~February 29, 2028	Leasing of the Qiaotou Factory Equipment	None

Contract type	The party	Commencement dates Expiration dates	Main businesses	Restrictive clauses
Domestic and foreign L/C for loan of purchasing materials/short-term lending contracts	Taiwan Shin Kong Commercial Bank Company, Ltd. Bank of Taiwan First Bank Bank SinoPac Co. Ltd. Union Bank of Taiwan	Renewal every year	Purchase of raw materials is paid by domestic and foreign L/C or working capital borrowings	None
Contract awarded	Bureau of Environmental Protection of Hsinchu City	February 16, 2022~February 15, 2042	Contract operation and management of garbage recycling plant in Hsinchu City	None
Contract awarded	Bureau of Environmental Protection of Hsinchu City	December 5, 2024~ November 30, 2026	Upgrade and Maintenance Turnkey Project of Hsinchu City Waste Resource Recycling Plant	None
Contract awarded	Environmental Protection Bureau of Pingtung County	December 22, 2021～December 21, 2041	Renovate, operate, transfer (ROT) project of Kanding Waste Incineration Plant in Pingtung County	None

(Note): the contract entered by the subsidiary, Yung Fu

Five. Review and analysis of financial status and financial performance and assessment of risk issues

I. Comparison and analysis of consolidated financial position

Analysis basis: changes between two consecutive periods are more than 20%, and the amount reached NT$10,000 thousand

Unit: NT$ thousand

Year / Item	2025	2024	Difference		Changes
			Amount	%	Analysis
Current assets	2,129,570	2,301,483	-171,913	-7.47%	
Property, Plant and Equipment	626,086	1,130,201	-504,115	-44.60%	1
Other non-current assets	2,618,931	2,245,343	373,588	16.64%	2
Total assets	5,374,587	5,677,027	-302,440	-5.33%	
Current liabilities	2,515,777	1,848,966	666,811	36.06%	3
non-current liabilities	728,530	1,226,195	-497,665	-40.59%	4
Total liabilities	3,244,307	3,075,161	169,146	5.50%	
Share capital	1,006,739	1,006,697	42	0.00%	
Additional paid-in capital	1,110,593	1,110,464	129	0.01%	
Unappropriated earnings	-80,474	101,642	-182,116	-179.17%	5
Other equity	-44,196	-10,568	-33,628	318.21%	6
Non-controlling equity	137,618	393,631	-256,013	-65.04%	7
Net shareholders' equity	2,130,280	2,601,866	-471,586	-18.12%	

Description of the main reasons of changes, the effect thereof, and the future responding plans

1. Property, Plant and Equipment: Primarily due to the Sale of some equipment and Impairment loss recognized in 2025.
2. Other non-current assets: mainly due to the increase in the fair value of financial assets measured at fair value through other comprehensive income - non-current.
3. Current liabilities: Primarily due to an increase in short-term bank loans at the Subsidiary in 2025.
4. Non-current liabilities: An increase in long-term bank loans by subsidiaries in 2024 led to a rise in non-current liabilities.
5. Undistributed earnings: The operating loss in 2025 resulted in a decrease in undistributed earnings.
6. Other equity items: Mainly due to the operating loss in 2025.
7. Non-controlling interest: Primarily due to the operating loss of the Subsidiary Yung Fu in 2025.

Explanation of Changes, Impacts and Future Plans: In 2025, the fastener core business incurred losses due to the US tariff war and NT dollar appreciation, which led to increased Cost and reduced Margin. Additionally, some equipment was no longer efficient and was depreciated, resulting in a loss in 2025.

Because of depreciation on some equipment, Subsidiary Yung Fu recognized Losses in 2026. This situation has not recurred since then. Furthermore, most of the equipment for the incinerator has been replaced, resulting in a significant improvement in power generation efficiency. As a result, operations in 2026 improved substantially.

II. Consolidated financial performance

(I) Comparative analysis of operating results

1. Analysis basis: changes between two consecutive periods are more than 20%, and the amount reached NT$10,000 thousand

Unit: NT$ thousand

Item \ Year	2025	2024	Increase (decrease)	Change ratio (%)	Analysis of changes
Net operating income	5,062,034	4,135,922	926,112	22.39%	1
Operating costs	5,227,265	4,276,993	950,272	22.22%	2
Gross profit	-165,231	-141,071	-24,160	17.13%	
Operating Cost	213,168	173,642	39,526	22.76%	3
Other income and expenses	15,806		15,806	100.00%	4
Net operating profit (loss)	-362,593	-314,713	-47,880	15.21%	
Non-operating income and expenditure	-210,145	113,859	-324,004	-284.57%	5
Net profit (loss) before tax	-572,738	-200,854	-371,884	185.15%	6
Income tax gain (expense)	154,743	74,896	79,847	106.61%	7
Net income for the year	-417,995	-125,958	-292,037	231.85%	8
Other comprehensive income, net	-33,628	7,798	-41,426	-531.24%	9

Description of the main reasons of changes, the effect thereof, and the future responding plans

1. Operating Revenue: Consolidated revenue increased in 2025 due to a significant rise in scrap iron revenue from the Subsidiary, Tai Steel Environmental Engineering, following a change in its business operations.
2. Operating cost: Operating cost increased with the rise in operating Revenue.
3. Operating expenses: As operating Revenue increased, operating expenses increased accordingly.
4. Other income and expenses: represents the difference between rental income from plant and equipment and the related Depreciation.
5. Non-operating income and expenses: Primarily attributable to the provision for Impairment loss on non-financial assets.
6. Profit before tax: mainly due to a significant increase in Losses from non-operating activities.
7. Tax benefit: mainly attributable to the loss before tax.
8. Net profit for the period: mainly due to a significant increase in Losses.
9. Net other comprehensive income for the period: mainly due to an increase in unrealized losses on equity instrument investments at fair value through other comprehensive income.

Description of Changes, Impacts, and Future Plans: The Company's Revenue increased in 2025 due to a significant increase in scrap iron revenue from its Subsidiary, Taichung Iron & Steel Corporation Environmental Protection. The Subsidiary Yung Fu recognized an impairment loss on equipment, which led to an increased deficit in 2025. As a result, Yung Fu improved power generation efficiency and reduced maintenance costs in 2026. For the fastener core business, operations were conservative in 2026 due to high taxation in the U.S. and conflicts in the Middle East, among other factors.

2. Expected sales volume and the basis for the forecast

The Company's expected sales volume for 2026 is compiled based on its business strategy, the operational objectives and budgets of each unit, and reasonable assumptions including the industry outlook and development trends.

Expected sales quantity is as below:

Product name	Expected sales quantity	Unit
Screws	7,400	Tons

3. Possible effect on the future finance and business, and the response plan

(1) Possible effect

In January 2026, the International Monetary Fund (IMF) published its World Economic Outlook, revising the global economic outlook upwards as countries have gradually adapted to Trump tariffs and AI Investment has driven the asset market. However, the IMF also warned that the global economic outlook would still be at Risk should the AI bubble burst or geopolitical and trade conflicts arise again.

On February 28, 2026, the US-Iran war erupted. Iran announced the closure of the world's most important energy waterway, the Strait of Hormuz, causing oil prices to surge and prices to rise.

(2) Response plan

a. Since March 2025, production was outsourced to Chunyu Plant. The two parties merged production to reduce Cost and create a win-win situation.

b. In early 2026, the Board of directors passed a resolution for an Investment in Openness Specialty Materials Corp. Ltd.., further advancing the Company's Development of new business ventures.

(II) Analysis of changes for gross operating profit

The ongoing Russia-Ukraine war, which has continued since 2026, and the outbreak of conflict between the US and Iran in early February led to increased raw material prices. This, combined with lowered consumer spending and reduced Sales, contributed to a reduction in gross profit margin.

III. Cash flow

(I) Liquidity analysis for the recent two years

Unit: %

Year / Item	2025	2024	Increase/decrease percentage (%)
Cash flow ratio (%)	3.69	-41.07	109%
Cash flow adequacy ratio (%)	0	0	0%
Cash reinvestment ratio (%)	3.58	-23.48	115%

Analysis of increase/decrease percentage:

1. Cash flow ratio: An increase in net cash flow from operating activities in 2025 resulted in a positive cash flow ratio.
2. Cash flow adequacy ratio: This was mainly due to increased net cash flow from operating activities and decreased inventories.
3. Cash reinvestment ratio: due to the increase in net cash flow from operating activities.

(II) Analysis of the cash liquidity for the coming year - consolidated

Unit: NT$ thousand

Cash balance at the beginning of the year	Full-year net cash flow from operating activities	Cash inflow (outflow) for the whole year	Estimated amount of cash surplus	Remedy for cash shortage	
				Investment plans	Financing plans
550,782	1,332,000	(1,681,500)	201,282	None	None

Analysis of changes in cash flows in 2025

(1) Operating activities: The Company expects its business scale to slightly decrease from the previous year, and anticipates a slight increase in revenue and profit.

(2)Investment activities: The factory and equipment have been rented out and there will be no significant capital expenditure in the coming year.

IV. Material capital expenditures in the last year and impacts on the financial position and business performance

1. Utilization of major capital expenditures and source of funds:

   (1) The Group's most recent major annual capital expenditure (purchase of machinery and equipment, routine maintenance of equipment and plant) will increase fixed assets by NT$ 110,983 thousand prepaid equipment by NT$75,498 thousand in 2025. Since March 2025, the Group has stopped manufacturing screws in-house.

   (2) No material capital expenditure is expected in 2026.

2. Impacts on Financial Performance: High US taxation and NT dollar appreciation, combined with the continuing economic slump in Europe, led to reduced shipments in 2025. Additionally, as the Company ceased manufacturing screws in March 2025, Capital expenditure had a limited financial impact in recent years.

V. Recent Investment Policy, the Primary Reasons for Profits or Losses, Improvement Plans, and Investment Plans for the Coming Year:

2026.03.31 Unit: NTD thousands

Investing Company	Investee's	Investment policy	Percentage of Shareholding	Investee company's profit and loss for year 2025.	Main reason of profit or loss	Improvement plan	Investment plan for the coming year
OFCO Industrial Corp.	TSG Transport Corp.	Diversified operations	100%	22,455	Favorable operation and marketing policies	None	None
OFCO Industrial Corp.	TSG Environmental Technology Corp.	Diversified operations	100%	22,479	Increased profit from increased trading of scrap iron	None	None
OFCO Industrial Corp.	Yung Fu Co., Ltd.	Diversified operations	54.89%	-576,346	Impairment loss on ineffective equipment	None	None
OFCO Industrial Corp.	TSG Environmental Technology Corp.	Diversified operations	100%	48,584	Favorable operation and marketing policies	None	None

VI. Analysis of risks during the most recent fiscal year and as they stood on the date of publication of the annual report

(I) The impact of interest rate, exchange rate changes and inflation on the Company's profit and loss and future response measures

Unit: NT$ thousand

Item	Effect on the Company’s loss and profit			Future countermeasures
	Accounts	2025	2024	
Interest rate	Bank Loans	1,785,528	1,573,907	The Company's Loan balance increased in 2025 compared to 2024, primarily due to increased Funding requirements for the Subsidiary, Yung Fu, related to its remediation project, and the Company’s Loan used for corporate bond Repayment. Interest rate fluctuations were stable, and Interest rate risk has gradually decreased, lessening its impact on future Profit or loss.
	Short-term notes and bills payable	79,959	114,414	
	Bonds payable	0	348,356	
	rest expenses	61,058	49,541	
ctuation of exchange rate	gain (loss) from exchange	26,877	8,686	NT$ appreciated by 1.343 against the US$ in 2024, a gain of 4.3% – its largest increase in the past five years. However, the Euro depreciated by approximately 9%. Due to its substantial Euro holdings, the Company still booked exchange gains.
ation	Operating costs Operating Cost			1. Most of the movements of raw material prices can be reflected in the sales prices. 2. Saving expenses, and reducing costs and expenses.

1. Changes in Interest Rates: The Company’s Financial asset and Liability with Cash flow risk of interest rate changes at the end of 2025 were NT$550,782 thousand and NT$1,785,528 thousand, respectively. Changes in the market rate of interest would have

affected the effective interest rate of these financial products. A 10% increase/decrease in the market rate of interest would have resulted in an NT$601 thousand increase/decrease in the Company's Profit after tax.

2. Exchange rate changes: The Company has export business denominated in foreign currencies. At the end of 2025, the net financial assets with exchange rate risk amounted to USD3,135 thousand and EUR1,424 thousand. If market exchange rates had changed, the fair value of such financial instruments would have changed accordingly. A 1% currency appreciation/depreciation of the market exchange rate, while other factors remained unchanged, would have increased/decreased the Company's interest by NT$ 1,209 thousand.

3. Inflation: According to the latest forecast released by the Directorate-General of Budget, Accounting and Statistics, the annual growth rate of the Consumer Price Index (CPI) for 2025 is estimated to range from approximately 1.66% to 1.88%, marking the lowest level in nearly five years. Although overall inflationary pressure has eased, the public continues to feel the pressure of persistently high prices due to the high price base in previous years. Most of the Company's raw materials are procured domestically. Based on the 2025 procurement amount of NT$449,086 thousand for raw materials and semi-finished goods, a 1% increase in the inflation rate would increase raw material costs by approximately NT$4,491 thousand.

(II) Policies for high-risk, high-leverage investments, lending funds to others, endorsements and guarantees, and derivatives trading, the main reasons for profits or losses, and future response measures:

The Company did not engage in high-risk, high-leverage investment in fiscal year 2025 and up to the annual report publication date, and its overall Risk remained relatively low. Funding is extended to others, and warranties/guarantees are only provided to significant subsidiaries, which have been assessed as presenting low Risk.

(III) Future R&D plans and estimated R&D expenses:

Due to the impact of the epidemic, new product development has been suspended from 2020 to 2023. The R&D focus has been on process improvement and quality enhancement. In the next few years, the Company will invest in the 5G AIoT system introduced in the fourth quarter of 2021 to create a 4.0 smart factory, improve product yield, and reduce operating costs. The company started developing new products in the second quarter of 2024, but has been renting out its factory facilities since March 2025, and will suspend product research and development in the future.

(IV) The impact of major domestic and international policy and legal changes on the Company's financial business and the corresponding measures:

During the most recent year, the Company's finance and business have not been affected by any change in key policies and laws home and abroad. The Company's main markets for sales are Europe, the United States and Taiwan. Although the EU has recently implemented the RoHS regulations, the Company's products are not yet applicable to the regulations and other laws and major policies are relatively stable.

In recent years, climate change has intensified and the climate crisis is imminent. More than 130 countries around the world have announced their promotions to achieve net zero emissions by 2050. In July 2021, the European Commission proposed 12 related measures to implement the "Fit for 55 package". The most important mechanism in the Fit for 55 is the Carbon Border Adjustment Mechanism (CBAM). The EU has decided to gradually implement the CBAM from October 2023. The initial scope of control is limited to the five high-carbon emission industries, namely cement, power, fertilizer, steel, and aluminum. It is expected that a considerable impact will be applied to the export of fastener products to Europe in the future. The Company has completed its greenhouse gas inventory and third-party verification for 2023-2025 and is committed to energy conservation and carbon reduction.

(V) The impact of technological changes (including information security risks) and industry changes on the Company's financial business and the corresponding measures: The Company is able to timely grasp and analyze the technological developments in the industry and has not had any significant impact on financial operations due to technological changes. In the face of crises triggered by information security issues, the Company not only established protection and emergency contingency measures, but also releases anti-virus alerts from time to time to strengthen internal protections, reduce external attacks, and establish a defensive corporate information safety net. There was no material influence on finance and business in 2025 due to any cyber security incident.

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

The Company's operating conditions have grown steadily in recent years and it is committed to improving the stability of product quality and accuracy of delivery dates. At the current stage, in term of the operation, on top of stabilizing old customers, the Company also develops new customer sources from all aspects, to achieve business goals.

(VII) Expected benefits and possible risks of the merger and acquisition: None.

(VIII) Plant Expansion: There were no plans to expand the factory in 2025.

(IX) Possible risks of concentrated purchase or sales:

(1) Sales: The Company's largest sales customer in 2025 accounted for approximately 54% of net revenue. The remaining 48% of sales revenue was distributed among more than 80 manufacturers, and sales were not particularly concentrated.

(2) Purchase: The largest supplier accounted for approximately 11% of the total purchase amount in 2025, a result of the Company’s joint procurement efforts with this supplier to achieve more favorable prices. The steel industry is a perfectly competitive industry. There are numerous channels for purchasing raw materials, as materials can be sourced from foreign steel mills in addition to domestic steel mills. Unless the Company failed to make payments as stipulated in the contract, steel mills have not canceled orders without cause. Therefore, while purchases were somewhat concentrated, the Risk remains low.

(X) Impact and risks on the Company caused by large-scale transfer or replacement of shares by directors, supervisors or major shareholders holding more than 10% of the shares: No such situation.

(XI) Impact and risks associated with any change of management rights: None.

(XII) Any material influence on Shareholders' equity or prices for the company's Securities as a result of any material litigation, non-litigation, or administrative dispute involving a company Director, President, de facto responsible person, or major Shareholder with a stake of more than 10 percent and the matter was finalized or remained pending; disclose the facts in dispute, amount in dispute, litigation commencement date, parties involved in litigation, and current status of the case as of the annual report publication date: None.

Circumstances of suspension: None.

(XIII) Other major risks and countermeasures: None.

VII. Other important matters:

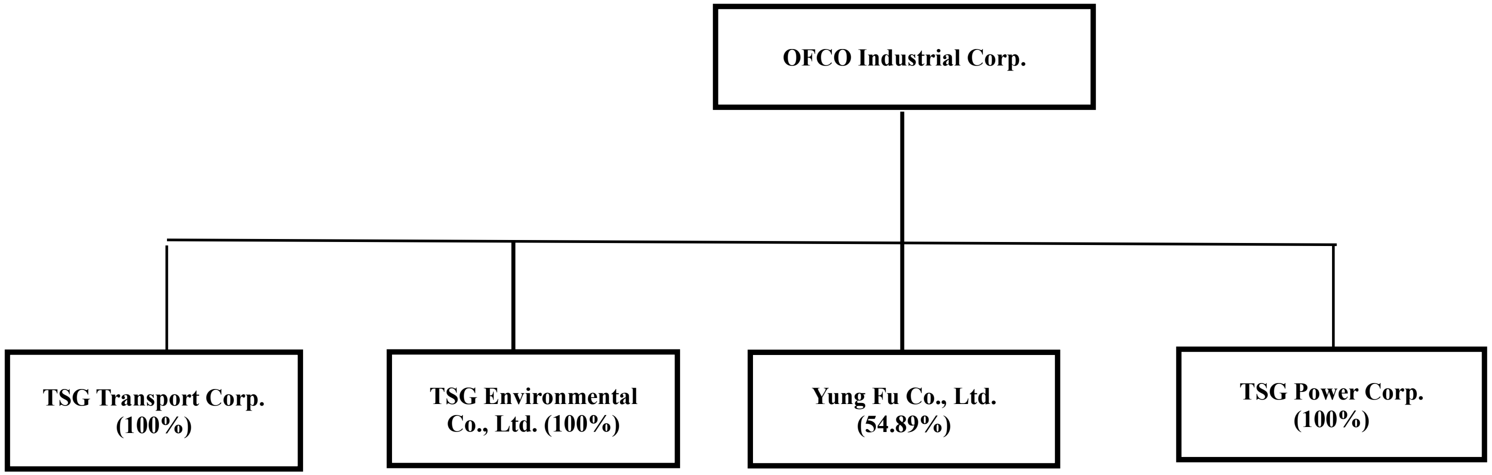
For disclosure of significant accounting policies, accounting principle, and other significant accounting judgments, estimates, and asset and liability valuation principles, please refer to the 2025 financial statements.

Six. Special notes

I. Information of affiliated companies in the most recent year

(I) Consolidated business report of affiliated companies

1. Organizational chart of affiliated companies:



Company name	Unified number	Responsible person	President	Contact number	Address
TSG Transport Corp.	85048700	Shen, Yi-Te	Shen, Yi-Te	07-2692183	25F-2, No. 502, Jiuru 1st Road, Sanmin District, Kaohsiung City
TSG Environmental Technology Corp.	83532643	Shen, Yi-Te	David Wang	07-2692183	25F-3, No. 502, Jiuru 1st Road, Sanmin District, Kaohsiung City
Yung Fu Co.,Ltd.	30974465	James Huang	Lou, Chung-Chou	06-2225528	11F-2, No. 307, Section 2, Minsheng Road, West Central District, Tainan City
TSG Power Corp.	83089212	James Huang	None	06-2225528	11F-2, No. 307, Section 2, Minsheng Road, West Central District, Tainan City

2. Profile of affiliated companies

Unit: NTD thousands

Investee's	Date of Establishment	Location	Paid-up capital	Main Businesses and Products
TSG Transport Corp.	August 23, 2019	Kaohsiung City, Taiwan	374,000	Sea, land, and air transportation, customs brokerage, and recycled metal trading.
TSG Environmental Technology Corp.	January 14, 2020	Kaohsiung City, Taiwan	40,000	Recycling parts and materials, and disposal of waste
Yung Fu Co., Ltd.	May 11, 1982	Tainan, Taiwan	333,927	Operation of incinerator on others' behalf
TSG Power Corp.	October 20, 2020	Tainan, Taiwan	23,000	Renewable energy

3. The identical shareholders information for companies presumed to have a relationship of control and subordination: none.
4. Industries covered by the overall related enterprise's business operations: Please refer to the above table.
5. Information on directors and supervisors of each affiliate

March 31, 2026

Company name	Title	Name or name of representative	Number of shares held	Percentage of shareholding
TSG Transport Corp.	Chairman	OFCO Industrial Corp. Representative: Shen, Yi-De	37,400,000	100%
TSG Environmental Technology Corp.	Chairman	OFCO Industrial Corp. Representative: Shen, Yi-De	4,000,000	100%
Yung Fu Co., Ltd.	Chairman	OFCO Industrial Corp. Representative: James Huang	18,276,624	54.89%
	Director	OFCO Industrial Corp. Representative: Kuo, Jen-Hao	18,276,624	54.89%
	Vice Chairman	Taiwan Green Energy Corporation Representative: Liu, Fu-Tsai	768	0.002%
	Supervisor	Gloria Material Technology Corporation: Representative: Hsu Chieh	15,988	0.05%
TSG Power Corp.	Chairman	OFCO Industrial Corp. Representative: James Huang	2,300,000	100%

6. The overview of the operations of the affiliates

Unit: NT$ thousands except that NT$ for EPS

Investee's	Paid-up capital	As of December 31, 2025			2025			
		Asset	Liabilities	Net Value	Operating income	Operating profit	Current Profit and Loss	Earnings per share
TSG Transport Corp.	374,000	783,507	367,836	415,671	884,329	20,365	22,455	0.6
TSG Environmental Technology Corp.	40,000	239,952	162,894	77,058	2,392,768	28,899	22,479	5.62
Yung Fu Co., Ltd.	333,927	2,536,245	2,222,167	314,078	667,053	-351,134	-576,346	-17.26
TSG Environmental Technology Corp.	23,000	382,026	136,113	245,913	103,714	-30,362	48,584	2.52

(II) Consolidated Financial Report of Affiliated Enterprises: The entities to be included in the consolidated financial report of affiliated enterprises are identical to those included in the parent-subsidiary consolidated financial statements pursuant to Company Standard No. 10; therefore, no separate consolidated financial statements are prepared.

(III) Affiliation report: None.

II. Private placement securities during the current fiscal year up to the date of publication of the annual report: None.

III. Other required supplementary information: None.

IV. There were no material impacts on Shareholders' equity or Securities prices as referred to in Paragraph 2 of Article 36-3 of the Securities and Exchange Act in the most recent fiscal year up to the annual report publication date.：

This situation does not exist.

OFCO INDUSTRIAL CORP.
久陽精密股份有限公司

Chairman: James Huang

Contact address: 25F, No. 502, Jiuru 1st Road, Sanmin District, Kaohsiung City

Tel: (07)3966999

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