

Stock Code:4535



**FINE BLANKING & TOOL CO., LTD.**

## 2024 Annual Report

### Notice to readers

*This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

Market Observation Post System

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

FBT Annual Report is available at: [http://www.fineblanking.com. tw/](http://www.fineblanking.com.tw/)

Printed on Apr 30, 2025

# *Serving the world with pride*



FBT\_Facility I: Production & Commercial Headquarter.



FBT\_Facility II: R&D Tooling Center



FBT Facility III: Disk & Production Center



Suzhou Fine Blanking & Tool Co., Ltd.



GSK VIETNAM CO., LTD.



GSK VIETNAM CO., LTD. Hanoi Branch

## *Our core values:*



## *Our mission-*

*To become a trusted “professional fineblanking” and “precision blanking” service provider integrating advanced knowledge and technologies.*

## *Our philosophy-*

- ☐ Talent development
- ☐ Team spirit
- ☐ Customer satisfaction
- ☐ Social contribution

### Automotive Application 汽車零件



### Motorcycle 機車座椅 摩托車類部品



**Pioneer in stamping technologies**

**Spokesperson**

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Name: Lin, Chun Chieh  
Title: Assistant Manager  
Tel: 886-04-7990118  
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**Headquarters, Branches and Plant**

Headquarters: FINE BLANKING & TOOL CO., LTD.

Address:

FBT\_Headquarter: No.3, Gong 8th Rd., Shengang Township, Changhua County, Taiwan (R.O.C.)

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**Auditors**

FULFILL & CO., CPAS

Auditors: Yen Kui-Yu, Chi Chia-Yu

Address: 4F.-1, No.439, Sec. 3, Jinma Rd., Changhua City, Changhua County 500, Taiwan (R.O.C.)

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**Overseas Securities Exchange:** None °

**Corporate Website:** <http://www.fineblanking.com.tw/>

# FINE BLANKING & TOOL CO., LTD.

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# **I. Letter to Shareholders**

## **Dear Shareholders,**

In 2024, the revenue and profit of the Vietnam operation site grew due to the mass production of new car seats. However, the Taiwan operation site was still affected by global economic inflation and geopolitical risks, resulting in a decline in both revenue and profit. As a result, the overall consolidated net revenue for 2024 increased by only 1.73% compared to the same period last year, while the overall consolidated net profit after tax grew by 5.53%

In the year 2025, with the inauguration of the new U.S. administration, a wave of tariff wars and intensified geopolitical tensions emerged. Alongside, high interest rates and inflation have curbed both investment and consumer spending, leading to a decline in our company's revenue and profit for the first quarter. In response, the company will proactively implement information system optimization to improve overall operational processes, aiming to enhance efficiency and yield rates, reduce error rates, lower costs, and strengthen competitiveness and financial stability. These efforts are expected to increase operational resilience and mitigate the impact of U.S. tariffs.

In terms of market expansion, the company will continue to leverage the group's overall resources to deepen its presence in the OEM market for automobile, motorcycle, specialty vehicle, and bicycle components. We will further strengthen the momentum of co-development mechanisms with customers. Looking ahead, the company will gradually advance its independent development of automotive and motorcycle components and the development of cross-industry stamped components. These efforts aim to boost our R&D capabilities and broaden our market scope, thereby stabilizing revenue and supporting sustainable profit growth.

Below is an explanation of the Company's 2024 business results, 2025 business plan, future growth strategies, and susceptibility to external influence:

## **1.1 2024 business report**

### **1.1.1 Results of the 2024 business plan**

The consolidated net revenue for the Group in fiscal 2024 was NT\$2,909,509 thousand, representing a 1.73% increase compared to NT\$2,860,040 thousand in 2023. The pre-tax net profit for 2024 was NT\$397,251 thousand, up 6.54% from NT\$372,870 thousand in 2023. The net profit after tax reached NT\$288,195 thousand, reflecting a 5.53% increase from NT\$273,083 thousand in the previous year. Of this amount, the net profit attributable to the owners of the parent company was NT\$185,076 thousand, marking a 2.01% growth compared to NT\$181,424 thousand in 2023.

### 1.1.2. Budget implementation

The 2024 financial budget prepared by the Company is for internal management purposes only and no external financial forecast has been announced.

Unit: In Thousands of New Taiwan Dollars; %

Items	2024 Estimated Consolidated Financial Statements	2024 Consolidated Financial Statements	Achievement rate %
Net sales	3,090,493	2,909,509	94.14%
Cost of Sales	(2,480,498)	(2,342,367)	94.43%
Gross profit	609,995	567,142	92.97%
Operating Expenses	(261,188)	(233,489)	89.39%
Operating Income	348,807	333,653	95.66%
Non-operating income and expenses	39,058	63,598	162.83%
Income Before Tax	387,865	397,251	102.42%
Tax Benefit (Expense)	(106,115)	(109,056)	102.77%
Net income	281,750	288,195	102.29%
Other comprehensive income			
Components of other comprehensive income that will be reclassified to profit or loss :			
Exchange differences on translation	(16,785)	27,059	161%
Other comprehensive income (income after tax)	(16,785)	27,059	161%
Total comprehensive income	264,965	315,254	118.98%
Profit (loss), attributable to:			
Profit (loss), attributable to owners of parent	186,346	185,076	99.32%
Profit (loss), attributable to non-controlling interests	95,404	103,119	108.09%
	281,750	288,195	102.29%
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent	175,842	206,374	117.36%
Comprehensive income, attributable to non-controlling interests	89,123	108,880	122.17%
	264,965	315,254	118.98%
earnings per share	2.47	2.44	99.32%



### 1.1.3. Financial income and expenditure

#### 1. Comparison of consolidated financial performance

Unit: In Thousands of New Taiwan Dollars; %

Items	2023 Consolidated Financial Statements	2024 Consolidated Financial Statements	Percentage change(%)
Net sales	2,860,040	2,909,509	1.73%
Cost of Sales	(2,293,463)	(2,342,367)	2.13%
Gross profit	566,577	567,142	0.10%
Operating Expenses	(233,156)	(233,489)	0.14%
Operating Income	333,421	333,653	0.07%
Non-operating income and expenses	39,449	63,598	61.22%
Income Before Tax	372,870	397,251	6.54%
Tax Benefit (Expense)	(99,787)	(109,056)	9.29%
Net income	273,083	288,195	5.53%
Other comprehensive income			
Components of other comprehensive income that will be reclassified to profit or loss :			
Exchange differences on translation	(23,248)	27,059	216.39%
(income after tax)	(23,248)	27,059	216.39%
Total comprehensive income	249,835	315,254	26.18%
Profit (loss), attributable to:			
Profit (loss), attributable to owners of parent	181,424	185,076	2.01%
Profit (loss), attributable to non- controlling interests	91,659	103,119	12.50%
	273,083	288,195	5.53%
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent	166,412	206,374	24.01%
Comprehensive income, attributable to non-controlling interests	83,423	108,880	30.52%
	249,835	315,254	26.18%
earnings per share	2.40	2.44	2.01%

## 2. Profitability analysis (Consolidated Financial Statements)

Items \ Year	2023(A)	2024(B)	Increase or Decrease Rate/Amount (B-A)
Return on Total Assets (%)	8.31	8.7	0.39
Return on Equity (%)	9.84	10.16	0.32
Pre-tax Income to Paid-in Capital Ratio (%)	49.28	52.5	3.22
Net Margin (%)	9.54	9.91	0.37
BASIC Earnings Per Share	2.4	2.44	0.04
Note: Earnings per share are calculated by retroactively adjusting the number of outstanding shares.			

### 1.1.4. Research and development achievements (new samples submitted)

Product	Purpose
Interior System — Rubber-coated tongue piece assembly, and iron shaft core. Drive train — transmission rod assemblies	Automotive Application
Safety System — Brake discs, smart discs, Forged disc, induction disc, floating discs. Engine System — chain wheels, Stop plate. Drive train — shock absorber assemblies, chain wheels. Vehicle system — brackets, mounting plates.	Motorcycle Application
Tools and equipment — Fastening plate assembly, Gasket, bracket. Golf cart — Clutch assembly, Frictional, spring set. All Terrain Vehicle (ATV) — A-arm assemblies, direction unit. Bicycle — Brake discs Jet ski - steering mechanism Servo guide rail - stamped fasteners	Others Applica

## 1.2 Summary of the 2025 business plan

### 1.2.1. Operational guidelines/goals

1. In 2025, we will actively optimize and integrate information systems such as ERP, BI, PLM, EFGP, and energy management to streamline and simplify overall operational processes, enhancing internal operational efficiency. At the same time, we will continue to optimize operations by implementing the MES intelligent production system and mold production system, further improving production management effectiveness.
2. Improvement of development efficiency: The Company continues to train talent with expertise in SE, ME, and quality assurance to aid in future development and mass production efforts. By building competence from within, the Company is able to provide customers with a greater diversity of assembly molds at lower cost, and develop proprietary production procedures and patents over time to take the Company's competitive advantage to the next level.
3. Improvement of production technology: The Company aims to strengthen its core capacity by incorporating automated processes and precision stamping molds and by investing in the research of new processes and materials.

4. Improvement of the management process: Campaigns such as TPS and TPM, FMS, and internal suggestions will be enforced persistently to improve the management process and lower production costs.
5. Ongoing talent development: We aim to improve employees' know-how and management skills and shorten the learning curve through our project management approach.

### 1.2.2. Expected sales

Main products	Unit	Sales volume
Press parts and assemblies	Thousand (group)	38,496
Car motorcycle seats, etc.	Thousand units	2,266

The above projections were made based on sales performance for Q4 2024 after taking into consideration the effect of new products that are expected to commence mass production in 2025.

### 1.2.3. Key production/sales policies

1. Integrate resources across subsidiaries in Taiwan, Mainland China, and Vietnam toward expanding business size, revenue, and profit.
2. Continually strengthen R&D capacity through new product development, product improvement, technology enhancement, knowledge base creation, and real applications.
3. Make persistent investments in production automation, advanced information systems, new processes, and production improvement projects for increases in production efficiency and operational performance.
4. Enforce supplier management throughout the supply chain; maintain relationships with critical partners; incorporate outsourced processes into internal procedures or consolidate work processes to shorten the production cycle; raise production efficiency and level of cooperation across suppliers.

## 1.3 Future development strategies

In terms of automobile parts, the Company primarily sells seat belt parts, pipe fittings, precision metal stamped composite parts and mechanical parts, and car seats to Europe, America, Mainland China, and Southeast Asia. Ongoing efforts are being made to develop new parts for customers.

Parts for motorcycles, special vehicles (such as beach buggies and golf buggies), and bicycles are sold in markets that are local to the production facilities. Not only does the Company have Mainland Chinese and Vietnamese subsidiaries in place to grow sales of stamped parts and seats in their local markets, the Vietnamese subsidiary has also been tasked with the responsibility of growing the Southeast Asian market, while the Taiwan office continues to focus on the European and American markets. Overall, the group continues its plan to develop high value-added products and parts for “recreational and diversified applications.”

In the future, the Company aims to enhance R&D capacity and expand markets with an emphasis on car and motorcycle parts as well as stamped parts for different industry applications.

## 1.4 The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

In terms of the external competitive environment, future long-term market trends are expected to be driven by globalized production division and economies of scale, leading to integration with entities that possess global potential :

1. Continue improving investment and operational performance in Taiwan, using the local market as a foundation while actively developing order transfer opportunities from Europe and the United States.

2. Continue leveraging overseas subsidiaries to gradually establish localized partnerships with influential vehicle manufacturers in China and Vietnam, thereby expanding operational scale across the Asia-Pacific region.
3. The operational bases in Taiwan, Vietnam, and China are all part of the automotive and motorcycle supply chain and have obtained the IATF 16949 global automotive quality management certification. The Company adopts IATF 16949 as the foundation for its manufacturing processes, dedicating efforts to process optimization and the development of new products and technologies to enhance customer satisfaction.

In recent years, with the rising global awareness of environmental protection, energy conservation, and carbon reduction, along with increasing emphasis on corporate sustainability, the company's progress is as follows:

1. The Taiwan operations site passed the ISO 14001 Environmental Management System certification in 2001 and has continued to implement and pass certification for the revised management system. In 2009, it passed the TOSHMS and OHSAS 18001 Safety and Health Management System verification, and in 2019, it transitioned to ISO 45001 certification and continues to implement the revised management system. In 2015, it passed the ISO 50001 Energy Management System verification and continues to implement the revised management system. In 2020, the motorcycle brake disc product passed the ISO 14051 Environmental Management – Material Flow Cost Accounting verification, improving material usage efficiency through common mode design. From 2015 to 2025, it has successfully verified the greenhouse gas inventory reports for the previous year each March to May, and starting from 2022, it publishes the TCFD (Task Force on Climate-related Financial Disclosures) report annually, disclosing the results of energy-saving and carbon-reduction goals. Since 2015, it has published CSR (Corporate Social Responsibility) or ESG (Sustainability) reports, and in 2024, it won the TCSA 17th Corporate Sustainability Report Award – Bronze Award in the traditional manufacturing category. Moving forward, the company will continue to conduct its operations with a sincere attitude of fulfilling social responsibility and giving back to society.
2. Regarding overseas operations, the China operations site passed the ISO 14001 Environmental Management System certification in 2017 and continues to implement and pass certification for the revised management system. The greenhouse gas inventory and verification plan for the subsidiary Zhi Xing Precision Machinery has been submitted to the Board of Directors in May 2024. The Vietnam operations site began greenhouse gas inventory counseling in the fourth quarter of 2024 and will follow the execution plan to complete the subsidiary's greenhouse gas inventory by 2026.

From 2023 to 2024, the global economy was affected by inflation and high interest rates, with the additional uncontrollable factor of increased U.S. tariffs in 2025. The global automotive and motorcycle supply chain sales fluctuated with the trends of the global economy. Despite these challenges, the company will continue to strengthen its core competitiveness, appropriately plan short- and long-term technology and business development strategies, and continue to deepen its presence in the automotive and motorcycle component OEM market through the group's overall resources.

**FINE BLANKING & TOOL CO., LTD.**

**Chairman: Wu, Chung-Yi**

## II. Corporate Governance Report

### 2.1 Directors and Management Team

#### 2.1.1 Director Information(I)

March 28, 2025

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	R.O.C	Chiuan-Dau INVESTMENT Co., Ltd	(N/A)	05/30 2023	3	06/27/ 2008	6,104,668	8.07%	7,463,668	9.86%	0	0	0	0	(N/A)	None	None	None	None
	R.O.C	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung-Yi Wu	Male 61~70 years old	05/30 2023	3	07/30/ 1998 Newly appointed director	1,310,631	1.73%	1,310,631	1.73%	135,024	0.18%	0	0	(Note : A)	(Note : A)	Director Director	Yu-Mei Wu Yen Hsing WU	brother and sister Father and son
Director	R.O.C	IDEA INVESTMENT Co., Ltd.	(N/A)	05/30 2023	3	05/30 2023	55,000	0.07%	104,000	0.14%	0	0	0	0	(N/A)	None	None	None	None
	R.O.C	IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu (Note 3)	Male 61~70 years old	05/30 2023	3	05/30 2023	58,379	0.08%	58,379	0.08%	0	0	0	0	(Note : B)	(Note : B)	None	None	None

Note : A.Chairman: Chiuan-Dau INVESTMENT Co., Ltd. Representative:Chung-Yi Wu

Experience ( Education ) : U.S.A in the University of California, Los Angeles Business Seminar Program

●Chairman, FINE BLANKING & TOOL CO., LTD. ●Chairman, ALL TRY CORPORATION ●Chairman, GSK Autotech & Furniture ●Chairman, SHIN SAN SHING CO., LTD.

●Chairman, Chiuan-Tai INVESTMENT CORP ●Chairman, GSK INVESTMENT DEVELOPMENT CORP. ●Chairman, GSK CORPORATION

●Independent Director, GIANT MANUFACTURING CO., LTD.

Other Position : ●Chairman, FINE BLANKING & TOOL CO., LTD. ●Chairman, ALL TRY CORPORATION ●Chairman, GSK Autotech & Furniture

●Chairman, SHIN SAN SHING CO., LTD. ●Chairman, Chiuan-Tai INVESTMENT CORP ●Chairman, GSK INVESTMENT DEVELOPMENT CORP. ●Chairman, GSK CORPORATION

●Director. GSK Technologies Inc. ●Director. GSK INTEK CO., LTD. ●Director. Chiuan-Dau INVESTMENT Co., Ltd.

Note : B. Director : IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu

Experience ( Education ) : Xin-Pu Industrial College.

●Director and General manager, FINE BLANKING & TOOL CO., LTD. ●Director and General manager, GSK VIETNAM CO., LTD. , ●Chairman, Suzhou Fine Blanking & Tool Co., Ltd.

●Executive Director, SUPERIORITY ENTERPRISE CORP ●Executive Director, Propitious International Inc.

Other Position :

●Director and General manager, FINE BLANKING & TOOL CO., LTD. ●Director, GSK VIETNAM CO., LTD. , ●Chairman, Suzhou Fine Blanking & Tool Co., Ltd.

●Executive Director, SUPERIORITY ENTERPRISE CORP ●Executive Director, Propitious International Inc. ●Chairman, IDEA INVESTMENT Co., Ltd.

Title	National ity/ Place of Incorpor ation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	R.O.C	Chiuan-Tai INVESTM ENT CORP	(N/A)	5/30/ 2023	3	03/05/ 1988	14,462,693	19.11%	14,462,693	19.11%	0	0	0	0	(N/A)	None	None	None	None
	R.O.C	Chiuan-Tai INVESTM ENT CORP. Representat ive:Kuan- Hsing Wu	Male  41~50 years old	5/30/ 2023	3	06/27/ 2008	135,024	0.18%	135,024	0.18%	0	0	0	0	(Note : C)	(Note : C)	None	None	None
Director	R.O.C	GSK INVESTM ENT DEVELOP MENT CORP.	(N/A)	5/30/ 2023	3	03/05/ 1988 Newly appointed supervisor 06/22/ 2011 Newly appointed director	10,352,725	13.68%	10,469,488	13.84%	0	0	0	0	(N/A)	None	None	None	None
	R.O.C	GSK INVESTM ENT DEVELOP MENT CORP. Representat ive:Chung- Wuu Li	Male  61~70 years old	5/30/ 2023	3	12/27/ 1999 Newly appointed director 06/28/ 2002 Newly appointed supervisor 06/22/ 2011 Re- appointed director	28,948	0.04%	28,948	0.04%	0	0	0	0	(Note : D)	(Note : D)	None	None	None

Note : C.Director : Chiuan-Tai INVESTMENT CORP. Representative:Kuan- Hsing Wu

Experience ( Education ) : Dayeh University , Director and Head of Production Management, FINE BLANKING & TOOL CO., LTD.  
Other Position : Director and General Manager's Office The High Commissioner, FINE BLANKING & TOOL CO., LTD.

Note : D.Director : GSK INVESTMENT DEVELOPMENT CORP. Representative:Chung-Wuu Li

Experience ( Education ) : U.S.A Virginia State University

●Chairman, GSK Technologies Inc. ●Chairman, Shanghai Yuxing Trading Co., td. ●Director and General Manager , GSK Corporation ●Director, FINE BLANKING & TOOL CO., LTD.

●Director, GSK VIETNAM CO., LTD.

Other Position :

●Chairman, GSK Technologies Inc. ●Chairman, Shanghai Yuxing Trading Co., td. ●Vice Chairman, GSK Corporation ●Director , FINE BLANKING & TOOL CO., LTD.

●Director , GSK VIETNAM CO., LTD. ●Supervisors, SHIN SAN SHING CO., LTD.

Title	National ity/ Place of Incorpor ation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position	Spouse & Minor Shareholding		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relatio n
Director	R.O.C	Fu Yen Investment Co., Ltd.	(N/A)	06/18/ 2020	3	06/27/2001	774,510	1.02%	774,510	1.02%	0	0	0	0	(N/A)	None	None	None	None
	R.O.C	Fu Yen Investment Co., Ltd. Represent ative: Jui- Chang Lin	Male 71~80 years old	5/30/ 2023	3	07/30/1998	0	0	0	0	0	0	0	0	(Note : E)	(Note : E)	None	None	None
Director	R.O.C	Yu-Mei Wu	Female 61~70 years old	5/30/ 2023	3	06/28/2002 Newly appointed supervisor 06/27/2008 Newly appointed director 06/22/2011 Reappointed supervisor 06/18/2020 Re- appointed director	1,146,484	1.52%	1,146,484	1.52%	0	0	0	0	(Note : F)	(Note : F)	Chairman	Chung- Yi Wu	brother and sister

Note : E.Director :Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin

Experience ( Education ) : Soochow University Department of Accounting

● Chairman , Taiwan Fu Hsing Industrial Co., Ltd. ●Director, LAUNCH TECHNOLOGIES CO., LTD. ●Director, TAIFLEX Scientific Co., Ltd. ●Director, FINE BLANKING & TOOL CO., LTD.,

●Director, Advanced International Multitech Co.,Ltd.

Other Position :

●Chairman , Taiwan Fu Hsing Industrial Co., Ltd. (9924 TWSE) ●Legal representative of the director, FINE BLANKING & TOOL CO., LTD (4535 TPEx),

●Legal representative of the director, LAUNCH TECHNOLOGIES CO., LTD (8420 TPEx), ●Legal representative of the director, Advanced International Multitech Co.,Ltd. (8938 TPEx),

●Legal representative of the director, TAIFLEX Scientific Co., Ltd (8039 TWSE).

Note : F.Director :Yu-Mei Wu

Experience ( Education ) : Lizen High School

●Director, GSK Corporation ●Director, ALL TRY CORPORATION ●Director, GSK INTEK CO., LTD. ●Supervisors, FINE BLANKING & TOOL CO., LTD.  
●Supervisors, MEDCARE MANUFACTURING INC. ●Supervisors, GSK Autotech & Frurniture INC. ●Supervisors, GSK Technologies Inc.  
●Supervisors, Chiuan-Tai INVESTMENT CORP. ●Supervisors, GSK INVESTMENT DEVELOPMENT CORP.

Other Position :

●Director, GSK Corporation ●Director, ALL TRY CORPORATION ●Director, GSK INTEK CO., LTD. ●Director, FINE BLANKING & TOOL CO., LTD.  
●Supervisors, MEDCARE MANUFACTURING INC. ●Supervisors, GSK Autotech & Frurniture INC. ●Supervisors, GSK Technologies Inc. ●Supervisors, Chiuan-Tai INVESTMENT CORP.  
●Supervisors, GSK INVESTMENT DEVELOPMENT CORP.

Title	National ity/ Place of Incorpor ation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position	Spouse & Minor Shareholding		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relati on
Director	R.O.C	CHING YUAN INVEST MENT Co.,Ltd	(N/A)	5/30/ 2023	3	06/18/20 20	514,000	0.68%	566,000	0.75%	0	0	0	0	(N/A)	None	None	None	None
	R.O.C	CHING YUAN INVEST MENT Co.,Ltd. Represent ative:Yen- Hsing Wu	Male  41~50 years old	5/30/ 2023	3	06/18/20 20	221,187	0.29%	221,187	0.29%	0	0	0	0	(Note : G)	(Note : G)	Chairman	Chung- Yi Wu	Father and son
Director	R.O.C	Chiuan- Dau INVEST MENT Co., Ltd	(N/A)	(N/A)	(N/A)	03/05/19 88	(N/A) (Note3: Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung-Ming Wu, was dismissed on May 30, 2023.												
	R.O.C	Chiuan- Dau INVEST MENT Co., Ltd. Represent ative: Chung- Ming Wu	Male  51~60 years old	(N/A)	(N/A)	06/23/20 14													

Note : G. Director :CHING YUAN INVESTMENT Co.,Ltd. Representative:Yen-Hsing Wu

Experience ( Education ) : Japan Waseda University The degree of Master of Arts in International

●Commissioner, GSK Information Department ●Sheraton Hotel FO ●Assistant to the Chairman of Kaiya Real Estate Co., Ltd ●GSK Operations Assistant ●GSK Operations General Assistant,  
●GSK Operations General Manager

Other Position:

●Director. GSK CORPORATION.●Director. CHING YUAN INVESTMENT Co.,Ltd. ●Director. GSK Technologies Inc.●Director.FINE BLANKING & TOOL CO., LTD. ●Director. Chiuan-Tai  
INVESTMENT CORP.●Director.GSK INVESTMENT DEVELOPMENT CORP. ●Executive. GSK INTEK CO., LTD. ●Executive Director.UNI AUTO PARTS MANUFACTURE CO.,LTD.

Experience ( Education ) : Accounting,National Taiwan University



●Gloria J. C. Kuo & Co., CPAs ●Independent Director, FINE BLANKING & TOOL CO., LTD. ●Independent Director, FORMOSA TAFFETA CO., LTD.  
●Director.Fu Hua Innovation CO., LTD.  
Other Position:  
●Gloria J. C. Kuo & Co., CPAs ●Independent Director, FINE BLANKING & TOOL CO., LTD. ●Independent Director, FORMOSA TAFFETA CO., LTD.  
●Director.Fu Hua Innovation CO., LTD.

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Spouse & Minor Shareholding		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	R.O.C	Chia-Chi Kuo	Female 51~60 years old	05/30/2023	3	06/23/2015	0	0	0	0	0	0	0	0	(Note : H)	(Note : H)	None	None	None
Independent Director	R.O.C	Yi-Min Lin	Male 51~60 years old	05/30/2023	3	06/18/2020	0	0	0	0	0	0	0	0	Master of Accounting, National Changhua University of Education FULL-GO & CO., CPAs SINON CORPORATION Audit, Part-time Lecturer, National Taichung University of Science and Technology, Part-time Lecturer, National Changhua University of Education, Part-time Lecturer, Providence University.	●FULL-GO & CO., CPAs , ●Independent Director, FINE BLANKING & TOOL CO., LTD. ●Supervisors, FLAVOR FULL FOODS INC. Supervisors	None	None	None
Independent Director	R.O.C	Cheng-Shong Hong	Male 61~70 years old	05/30/2023	3	06/18/2020	0	0	0	0	0	0	0	0	Ph.D., Electrical Engineering, National Cheng Kung University National Kaohsiung Normal University Professor, Department of Electronic Engineering , ●Independent Director, FINE BLANKING & TOOL CO., LTD.	●National Kaohsiung Normal University Professor, Department of Electronic Engineering , ●Independent Director, FINE BLANKING & TOOL CO., LTD.	None	None	None

Note :

1.President or manager of the highest equivalent grade being the same person as or a spouse or first-degree relative of the Chairman: **None**.

### Major shareholders of the institutional shareholders

March 28,2025

Name of Institutional Shareholders	Major Shareholders
Chiuan-Tai INVESTMENT CORP.	GSK INVESTMENT DEVELOPMENT CORP. (42.4%), WEI-LI WU (16.4%),CHING YUAN INVESTMENT Co.,Ltd. (16.38%), GSK CORPORATION (12.07%),MEDCARE MANUFACTURING INC. (3.93%)
GSK INVESTMENT DEVELOPMENT CORP.	CHING YUAN INVESTMENT Co., Ltd. (19.99%), HE HSING INVESTMENT LTD. (19.99%),WEI-LI WU (13.48%), GSK CORPORATION (11.15%),HE JU INVESTMENT LTD. (10.04%), YEN-HSING WU (8.5%) MEDCARE MANUFACTURING INC. (6.15%), TZU-YU WU YEN (4.9%)
Chiuan-Dau INVESTMENT Co., Ltd.	Caribbean Holding Universal Limited(98.86%),CHUNG -YI WU (1.14%)
Fu Yen Investment Co., Ltd.	Fu Syun Investment Co.,Ltd (45.75%),Hong Cheng Investment Co.,Ltd (16.77%),Lian Guang Investment Co.,Ltd (13.66%), Sheng You Investment Co.,Ltd (10.43%),Sheng You Investment Co.,Ltd (7.33%), Yuan Sheng International Investment Co.,Ltd (3.43%),JIAN-KUN CHEN (2.63%)
CHING YUAN INVESTMENT Co.,Ltd.	Yen-Hsing Wu (100%)
IDEA INVESTMENT Co., Ltd.	Chung-Ming Wu (100%)

**Major shareholders of the Company's major institutional shareholders**

March 28,2025

Name of Institutional Shareholders	Major Shareholders
GSK CORPORATION	GSK INVESTMENT DEVELOPMENT CORP.(54.23%), Chiuan-Tai INVESTMENT CORP.(24.80%), CHING YUAN INVESTMENT Co., Ltd.(5.49%), WEI-LI WU (4.16%),Chiuan-Dau INVESTMENT Co., Ltd.(4.11%)
MEDCARE MANUFACTURING INC.	GSK INVESTMENT DEVELOPMENT CORP. (45.45%), Chiuan-Tai INVESTMENT CORP. (27.27%), WEI-LI WU (18.33%)
HE HSING INVESTMENT LTD.	ALEXIS HOLDINGS CORPORATION(100%)
Caribbean Holding Universal Limited	Caribbean Technology Investment Fund.
HE JU INVESTMENT LTD.	YU-MEI WU(95.49%)
Fu Syun Investment Co.,Ltd	JUI-PI CHANG,(34%),TZU-HSIEN LIN(34%), TZU-YANG LIN(29%),JUI-CHANG LIN(3%)
Lian Guang Investment Co.,Ltd	WEN-SHING LIN(22%),MEI-HUI HSU(20%), CHIH-CHENG LIN(29%),CHIH-YU LIN(29%)
Hong Cheng Investment Co.,Ltd	LI-WEN LIN YI(39%),CHAO-HUNG LIN(38%), SHAO-CHIEN LIN(15%),SHAO-CHIEH LIN(8%)
Sheng You Investment Co.,Ltd	MIAO-CHEN LIN(5%),TENG-TSAI LIN(59%), CHIH-WEI LIN(14%),PING-KUAN LIN(14%),CHIH-NING LIN(8%)
Deli International Investment Co.,Ltd	MIAO-YIN LIN(21%),CHEN-YAO CHEN(20%),SZU-CHIN CHEN(30%),SZU-KAI CHEN(29%)
Yuan Sheng International Investment Co.,Ltd	SU-YAN LIN(25%),YUAN-SHEN WU(25%),YI-HSIN WU(36%), SHU-HAO WU(14%)

## 2.1.1 Director Information(II)

### 2.1.1.1 Professional qualifications and independence analysis of directors :

Name	Criteria	Professional Qualification and Experience	Independent Directors' Independence Statu	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Directo
Chairman, Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung-Yi Wu	<ul style="list-style-type: none"> <li>Required work experience in commerce, law, finance, accounting or other fields required by the business of the company Professional qualifications and Experience this Annual Report 2.2.1 Director Information( I ) ( pages 7-11)</li> <li>None of the directors had any of the conditions stated in Article 30 of The Company Act (Note 1)</li> </ul>		(N/A)	None
Director, Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin				None
IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu				None
Director, Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu				None
Director, GSK INVESTMENT DEVELOPMEN T CORP. Representative: Chung-Wuu Li				None
Director, Yu-Mei Wu				None
Director, CHING YUAN INVESTMENT Co.,Ltd. Representative: Yen-Hsing Wu				None
Independent Director, Chia-Chi Kuo			<p>All of the following situations apply to each and every of the Independent Directors:</p> <ol style="list-style-type: none"> <li>Satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Taiwan's Securities and Futures Bureau</li> <li>Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any FBT shares</li> <li>Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service"</li> </ol>	1
Independent Director, Yi-Min Lin				None
Independent Director, Cheng-Shong Hong				None

Note 1: A person shall not act in a management capacity for a company, and if so appointed, must be immediately discharged if they have been:

1. Convicted for a violation of the Statutes for the Prevention of Organizational Crimes and: has not started serving the sentence; has not completed serving the sentence; or five years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
2. Convicted for fraud, breach of trust or misappropriation, with imprisonment for a term of more than one year, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
3. Convicted for violation of the Anti-Corruption Act, and: has not started serving the sentence; has not completed serving the sentence; or two years have not elapsed since completion of serving the sentence, expiration of probation, or pardon;
4. Adjudicated bankrupt or adjudicated to commence a liquidation process by a court, and having not been reinstated to his or her rights and privileges;
5. Sanctioned for unlawful use of credit instruments, and the term of such sanction has not expired yet;
6. if she/he does not have any or limited legal capacity; or
7. if she/he has been adjudicated to require legal guardianship and such requirement has not been revoked yet

- Note 2:
1. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.
  2. Not serving concurrently as an independent director on more than three other public companies in total.
  3. During the two years before being elected and during the term of office, meet any of the following situations:
    - (1) Not an employee of the company or any of its affiliates;
    - (2) Not a director or supervisor of the company or any of its affiliates;
    - (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders;
    - (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding (1) subparagraph, or of any of the above persons in the preceding subparagraphs(2) and (3);
    - (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law;
    - (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;
    - (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);
    - (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company; and
    - (9) Other than serving as a compensation committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation within the recent two years exceeds NT\$500,000". Board Diversity and Independence TSMC establishes the "Guidelines for Nomination of Directors" that set out the procedures and criteria for the no

### **2.1.1.2 Board Diversity and Independence :**

#### **2.2.1.2.1 Board Diversity**

According to Article 20 of the Company's "Corporate Governance Code of Conduct," members of the board of directors are required to possess the knowledge, skills, and characters needed to perform their duties.

For ideal corporate governance, the board of directors as a whole shall possess the following capacities:

1. Operational judgment.
2. Accounting and financial analysis.
3. Business administration.
4. Crisis management.
5. Industry knowledge.
6. Global market vision.
7. Leadership.
8. Decision making.

Furthermore, director candidates are selected according to the diversity guidelines while taking into consideration the Company's business model and specific requirements, including but not limited to gender, age, ethnicity, language, cultural background, education, industry experience,

and professional experience.

The board of directors has been structured based on the Company's size and major shareholders' shareholding position. It is stated in the Articles of Incorporation that there should be seven to eleven director seats, adjustable depending on the Company's practical requirements.

Composition of the board members should consider diversity in a manner that supports the Company's operations, business activities, and growth requirements, provided that the number of directors who concurrently hold managerial positions does not exceed one-third of the board. The diversification policy should include, without being limited to, the following two principles:

1. Background and values: Gender, age, nationality, culture etc.
2. Knowledge and skills: Professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

### **Implementation of diversity criteria**

The Company has specified in the Articles of Incorporation that directors are to be elected using the candidate nomination system in accordance with Articles 30 and 192-1 of The Company Act. The board of directors has been structured based on the Company's size and major shareholders' shareholding position. It is stated in the Articles of Incorporation that there should be seven to eleven director seats, adjustable depending on the Company's practical requirements.

The current board comprises 10 directors (including 3 independent directors) with different genders, ages, professional knowledge, and backgrounds that conform with the diversity criteria. Board members have extensive experience and expertise in terms of business administration, leadership, decision-making, industry knowledge, finance, accounting, and marketing. The Company values the financial and accounting expertise of its board members, and aims to have 30% of board members specialized in this area; out of the 10 existing board members, 5 possess professional background and experience in accounting, representing 50% of the board members. The Company also values gender equality among board members, and aims to have female directors make up at least 20% of the board; out of the 10 existing board members, 2 are female, representing 20% of the board members. The Company has set goals to keep the number of directors with concurrent management roles below one-third; out of the 10 existing board members, 2 hold concurrent positions as employees of the Company, representing 20%. Two out of three independent directors have served for nearly five years, while one has served for nearly ten years. However, considering her professional background as a certified accountant and her experience serving as an independent director for multiple listed companies, the company requires her insight to guide its future direction. The board believes that she continues to maintain the necessary independence in judgment and execution of her duties, without establishing any relationships with the management (or others) that could compromise her ability to make impartial judgments based on the best interests of the company or her ability to carry out her duties without bias. She continues to be re-elected as an independent director of the company. Relevant implementation details can be found in Table on page 19.

#### 2.1.1.2.2 Board independence

All directors of the Company have been elected in accordance with the Company's "Articles of Incorporation," "Directors Election Policy," "Corporate Governance Code of Conduct," and "Independent Director Responsibility Principles" and Article 14-2 of the Securities and Exchange Act. In 2006, the Company introduced a candidate nomination system and a cumulative voting system for all independent and non-independent directors, and encouraged shareholders' participation by allowing shareholders with more than a certain ownership percentage to nominate candidates. Each candidate is subjected to an eligibility review, and each director is required to sign a Nominee Statement to declare that they are free of the conditions listed in Article 30 of The Company Act. The nomination proceeds entirely in compliance with laws and is announced to the public to prevent abuse of the nomination system, and thereby protect shareholders' interest. There are no circumstances applicable to any of the directors or independent directors as specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. Furthermore, each director is handed a list of important guidelines that they are required to obey (e.g.: the Director/Supervisor Compliance Manual, Notes on Securities Market Regulations for Directors, Supervisors and Major Shareholders of TWSE Listed Companies, Independent Director Compliance Manual etc.) when they assume office to keep them informed of relevant rights and responsibilities.

The board of directors provides guidance for corporate strategies, exercises supervision over the management, and is held responsible to shareholders. The board exercises its authorities in accordance with the Company's "Articles of Incorporation," "Corporate Governance Code of Conduct," "Board of Directors Conference Policy," "Ethical Behavior Guidelines for Directors and Managers," "Ethical Corporate Management Best-Practice Principles," shareholders' meeting resolutions, and relevant laws. In terms of composition, the current board of directors has 3 independent directors representing 30% of the board and 7 non-independent directors representing 70% of the board. Although 3 of the directors have relationships characterized as within the second degree of kinship to each other, the board persistently evaluates the independence of individual directors while taking into account all relevant factors, including whether directors are able to offer constructive criticism to the management and other directors, whether the viewpoints expressed are independent from the management or other directors, and whether their behavior within and outside board meetings is appropriate. Independent, non-standing directors of the Company have acted within expectations under appropriate circumstances. The board places great emphasis on independence and transparency; both independent and non-independent directors exercise authority in their own separate capacity.

The independent directors all meet the regulations set forth by the Financial Supervisory Commission (FSC) regarding independent directors. Their independence is as follows:

Name	Whether oneself, spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the company or its affiliated enterprises.	The number and proportion of company shares held by oneself, spouse, relatives within the second degree of kinship, or held under another person's name.	Whether one serves as a director, supervisor, or employee of companies with specific relationships to the company.	The compensation received for providing business, legal, financial, accounting, or other services to the company or its affiliated enterprises over the past two years.
Chia-Chi Kuo	None	In the absence of such circumstances.	None	In the absence of such circumstances.
Yi-Min Lin	None	In the absence of such circumstances.	None	In the absence of such circumstances.
Cheng-Shong Hong	None	In the absence of such circumstances.	None	In the absence of such circumstances.

The board of directors implements an annual performance evaluation system, which includes self-assessments by the board, individual board members, and assessments within functional committees. The evaluation criteria for the board's performance include : (1)Degree of involvement in company operations,(2)Quality of board decisions,(3)Composition and structure of the board,(4)Selection and ongoing education of directors,(5)Internal controls,(6)Awareness and participation in the company's ESG initiatives. ; The self-assessment for board members covers : (1)Understanding of company goals and missions,(2)Awareness of director responsibilities,(3)Degree of involvement in company operations,(4)Internal relationship management and communication,(5)Professionalism and ongoing education of directors,(6)Internal controls.,The results of these assessments are disclosed in the company's annual report and on its official website after being submitted to the board of directors.

Additionally, to ensure that the investing public fully understands the remaining operations of the board of directors, relevant information has been disclosed in the company's annual report, official website, or on public information platforms:(1)Attendance records of board members at meetings.,(2)Agendas and resolutions of board meetings.,(3)Continuous education status of board members.,(4)Changes in shareholding of board members (including shareholding ratios, share transfers, and establishment of pledges, etc.). (Please refer to the public information platform for details).



Implementation of the Diversity Policy for Board Members

Diversity criteria  Director Name	Basic composition								Operational management	Leaders hip & decision- making	Industry knowledge	Financial accounting	Marketing	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
	Gender	Concurre nt employe nt at the Company	Age distribution				ndependent Director Term/years of service							Title	Name	Relation
			41 - 50	51 - 60	61 - 70	71 - 80	4-6 Years	7-9 Years								
Chairman Chung-Yi Wu	Male				V				V	V	V		V	Director Director	Yu-Mei Wu Yen- Hsing Wu	brother and sister Father and son
Director Chung-Ming Wu	Male	V			V				V	V	V		V			
Director Kuan- Hsing Wu	Male	V	V						V	V	V					
Director Jui-Chang Lin	Male					V			V	V	V	V	V			
Director Hung-Wuu Li	Male				V				V	V	V		V			
Director Yu-Mei Wu	Female				V				V	V	V	V		Chairman	Chung - Yi Wu	brother and sister
Director Yen-Hsing Wu	Male		V						V	V	V			Chairman	Chung - Yi Wu	Father and son
Independe nt Director Chia-Chi Kuo	Female			V				V	V	V		V				
Independe nt Director Yi-Min Lin	Male			V			V		V	V		V				
Independe nt Director Cheng-Shong Hong	Male				V		V					V				

## 2.1.2 Management Team

March 28, 2025

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
President	ROC	Chung-Ming Wu	Male	09/01/2012	58,379	0.08%	0	0	0	0	Xin-Pu Industrial College. Director and General manager, GSK VIETNAM CO., LTD. ,	<ul style="list-style-type: none"> <li>•Director and General manager, FINE BLANKING &amp; TOOL CO., LTD.</li> <li>•Director and General manager, GSK VIETNAM CO., LTD. ,</li> <li>•Chairman, Suzhou Fine Blanking &amp; Tool Co., Ltd.</li> <li>•Executive Director, SUPERIORITY ENTERPRISE CORP</li> <li>•Executive Director, Propitious International Inc.</li> </ul>	None	None	None
Vice President	ROC	Chin-Tsu Hsieh	Male	11/12/2013	7,000	0.01%	0	0	0	0	Department of Mechanical Engineering, Taichung Municipal Dongshih Industrial High School.  General Manager of GSK (China)	<ul style="list-style-type: none"> <li>•Director, SUPERIORITY ENTERPRISE CORP</li> <li>•Director, Suzhou Fine Blanking &amp; Tool Co., Ltd.</li> </ul>	None	None	None
Assistant Manager of the President's Office and Acting Spokesperson/Cybersecurity Officer	ROC	Chun Chieh Lin (Note 2)	Male	04/01/2014	0	0	0	0	0	0	Department of Management and Information, National Open University.  Senior Specialist and Deputy Manager of the R&D Department, and Deputy Manager of the Sales Department of the Company	None	None	None	None

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Manager of the Sales Department	ROC	Neng-Tang Chou	Male	10/03/2012	4,573	0.01%	0	0%	0	0	Department of Industrial Engineering, Shu-Teh Junior College of Technology and Commerce. Chief of the Quality Assurance Section and Deputy Manager of the Quality Assurance Department of the Company	None	None	None	None
Manager of the Quality Assurance Department	ROC	Ming-Hsing Lin	Male	06/01/2019	17,844	0.02%	0	0	0	0	Department of Mechanical Engineering, Chienkuo Industrial Junior College. Chief of the Engineering Section, Manager of the Quality Assurance Department, and Manager of the Technology Department of the Company	None	None	None	None
Manager of the Technology R & D Department	ROC	Jung-Feng Wu	Male	03/26/2009	6,264	0.01%	3,631	0.005%	0	0	Department of Engineering Management, United College of Technology and Commerce. Head of the Production Management Section and Manager of the Production Management Department of the Company	None	None	None	None
Manager of the Manufacturing Department	ROC	Chia-Che Chang	Male	10/03/2012	0	0	0	0	0	0	Department of Mechanical Engineering, Feng Chia University. Head of the Manufacturing Section and Senior Specialist of the President's Office of the Company	None	None	None	None
Manager of the Administration Department and Spokesperson	ROC	Mei-Niang Liu	Female	03.28.2008	3,081	0.0041%	0	0	0	0	Master of International Business Management, Da-Yeh University. Senior Specialist of the President's Office and Chief of the Administration Office of the Company	<ul style="list-style-type: none"> <li>Supervisors, GSK VIETNAM CO., LTD.</li> <li>Director, SUPERIORITY ENTERPRISE CORP</li> </ul>	None	None	None

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chief Internal Auditor	ROC	Pei-Jung Wu	Female	05.04.2021	0	0	0	0	0	0	Department of Finance and Banking, Shih Chien University. Chief Internal Auditor of Tait Marketing & Distribution Co., Ltd. and CUB Elecparts Inc.	None	None	None	None
Corporate Governance Officer	ROC	Ya-Ling Huang	Female	03.06.2023	0	0	0	0	0	0	Department of Business Administration, National Open Colleague of Continuing Education Affiliated to Taichung University of Science and Technology, The chief of finance and accounting department, and the head of finance and accounting section in our company.	None	None	None	None

Note : (1).Financial and accounting affairs are handled by separate and independent sub-divisions under the Administration Department.  
(Company Organization Details on the Company Website)

(2).President or manager of the highest equivalent grade being the same person as or a spouse or first-degree relative of the Chairman: None.

## 2.2 Compensation paid to directors, the President, and vice presidents in the last year

### 2.2.1 The salary paid to Remuneration of Directors and Independent Directors in the most recent year

#### 1. Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Remuneration								Total remuneration (A+B+C+D) and its ratio to net profit after tax (%)				Relevant Remuneration Received by Directors Who are Also Employees								Total remuneration (A+B+C+D+E+F+G) and its ratio to net profit after tax (%)				Receive remuneration from investments outside the subsidiary or from the parent company
		Base Compensation (A)		pension contribution (B)		Directors Compensation (C)(Note2)		Allowances (D)						Salary, Bonuses, and Allowances (E)		pension contribution (F) (Note 1)		Employee Compensation (G)								
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statement							
																				total amount	%	total amount	%	Cash	Stock	
Chairman	Chiuan-Dau INVESTMENT Co., Ltd.Representative: Chung -Yi Wu	3,224	3,224	0	0	2,996	2,996	42	42	6,262	3.38%	6,262	3.38%	0	0	0	0	0	0	0	0	6,262	3.38%	6,262	3.38%	None
Director	Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin	0	0	0	0	1,000	1,000	42	42	1,042	0.56%	1,042	0.56%	0	0	0	0	0	0	0	0	1,042	0.56%	1,042	0.56%	None
Director	IDEA INVESTMENT Co.,Ltd.(Note2) Representative: Chung-Ming Wu	0	0	0	0	2,100	2,100	42	42	2,142	1.16%	2,142	1.16%	2,775	2,775	0	0	1,048	0	1,048	0	5,965	3.22%	5,965	3.22%	None
Director	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu	0	0	0	0	700	700	42	42	742	0.40%	742	0.40%	613	613	35	35	67	0	67	0	1,457	0.79%	1,457	0.79%	None
Director	GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	0	0	0	0	1,000	1,000	42	42	1,042	0.56%	1,042	0.56%	0	0	0	0	0	0	0	0	1,042	0.56%	1,042	0.56%	None
Director	Yu-Mei Wu	0	0	0	0	700	700	42	42	742	0.40%	742	0.40%	0	0	0	0	0	0	0	0	742	0.40%	742	0.40%	None
Director	CHING YUAN INVESTMENT Co.,Ltd. Representative: Yen-Hsing Wu	0	0	0	0	700	700	42	42	742	0.40%	742	0.40%	0	0	0	0	0	0	0	0	742	0.40%	742	0.40%	None

Unit: NT\$ thousands

Title	Name	Remuneration								Total remuneration (A+B+C+D) and its ratio to net profit after tax (%)				Relevant Remuneration Received by Directors Who are Also Employees								Total remuneration (A+B+C+D+E+F+G) and its ratio to net profit after tax (%)				Receive remuneration from investments outside the subsidiary or from the parent company
		Base Compensation (A)		pension contribution (B)		Directors Compensation (C)(Note2)		Allowances (D)						Salary, Bonuses, and Allowances (E)		pension contribution (F) (Note 1)		Employee Compensation (G)								
		The company	All companies in the consolidated financial statements	The company	Comp anies in the consolidated financial statement	The company	Compani es in the consolidated financial statemes	The comp any	Comp anies in the consolidated financial statement	The company		Companies in the consolidated financial statement		The compa ny	Compani es in the consolida ted financial statement	The comp any	Comp anies in the consolidated financ ial statement	The company		Companies in the consolidated financial statements		The company		Companies in the consolidated financial statement		
										total amount	%	total amount	%					Cash	Stock	Cash	Stock	total amount	%	total amount	%	
Independent Ditor Chia-Chi Kuo	Chia-Chi Kuo	396	396	0	0	0	0	77	77	473	0.26%	473	0.26%	0	0	0	0	0	0	0	0	473	0.26%	473	0.26%	None
Independent Director Chia-Chi Kuo	Yi-Min Lin	396	396	0	0	0	0	77	77	473	0.26%	473	0.26%	0	0	0	0	0	0	0	0	473	0.26%	473	0.26%	None
Independent Director Chia-Chi Kuo	Cheng-Shong Hong	396	396	0	0	0	0	77	77	473	0.26%	473	0.26%	0	0	0	0	0	0	0	0	473	0.26%	473	0.26%	None

1. The policy, system, standards, and structure by which independent and non-independent director compensation is paid, and the association between the amount paid and directors' responsibilities, risks, and time committed:
- (1).According to the Company's "Director Remuneration and Employee Remuneration Allocation Policy": independent directors are paid NT\$25,000 per month per person, and an additional NT\$8,000 per month per person for assuming a concurrent role as Remuneration Committee member, regardless of profitability.
- (2).According to the Company's Articles of Incorporation, director remuneration may not exceed 5% of the profit before tax, employee remuneration, and director remuneration. According to the Company's "Director Remuneration and Employee Remuneration Allocation Policy, the board of directors makes annual allocations of remuneration at no more than 5% of the current year's earnings, after taking into consideration the uncertainties and risks associated with future operations. The allocated amount of remuneration is reviewed by the Remuneration Committee at the end of the year and subsequently presented to the board of directors; the board then approves the final sum after evaluating the uncertainties and risks associated with future operations, and allocates it to individual directors based on the level of contribution to the Company's performance. Independent directors are not entitled to director remuneration allocated from the annual profit.
2. Compensation received by directors for providing services to any company included in the financial statements in the last year (e.g. consultancy services without the title of an employee), except those disclosed in the above table: None.

Note: (1) Represents pension contribution required by laws.

### Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements(H)	The company	Companies in the consolidated financial statements (I)
Less than NT\$ 1,000,000	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu Yu-Mei Wu, Chia-Chi Kuo, Yi-Min Lin, Cheng-Shong Hong	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu Yu-Mei Wu, Chia-Chi Kuo, Yi-Min Lin, Cheng-Shong Hong	CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu Yu-Mei Wu, Chia-Chi Kuo, Yi-Min Lin, Cheng-Shong Hong	CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu Yu-Mei Wu, Chia-Chi Kuo, Yi-Min Lin, Cheng-Shong Hong
NT\$1,000,000 ~ NT\$2,000,000	Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li
NT\$2,000,000 ~ NT\$3,500,000	IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu	IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu	None	None
NT\$3,500,000 ~ NT\$5,000,000	None	None	None	None
NT\$5,000,000 ~ NT\$10,000,000	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung -Yi Wu	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung -Yi Wu	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung -Yi Wu IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung -Yi Wu IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming W
NT\$10,000,000 ~ NT\$15,000,000	None	None	None	None
NT\$15,000,000 ~ NT\$30,000,000	None	None	None	None
NT\$30,000,000 ~ NT\$50,000,000	None	None	None	None
NT\$50,000,000 ~ NT\$100,000,000	None	None	None	None
Greater than or equal to NT\$100,000,000	None	None	None	None
Total	10	10	10	10

## 2.2.2 The salary paid to Remuneration of the President and Vice Presidents in the most recent year

### 1. Remuneration of the President and Vice Presidents

Unit: NT\$ thousands

Title	Name	Salary(A)		pension contribution (B) (Note 1)		Bonuses and Allowances (C)		Employee Compensation (D)				Total remuneration(A+B+C+D) and its ratio to net profit after tax (%)				Receive remuneration from investments outside the subsidiary or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company		Companies in the consolidated financial statements		
								Cash	Stock	Cash	Stock	total amount	%	total amount	%	
President	Chung-Ming Wu	1, 529	1, 529	0	0	1, 246	1, 246	1, 048	0	1, 048	0	3, 823	2. 0662%	3, 823	2. 0662%	None
Vice President	Chin-Tsu Hsieh	1, 145	1, 145	70	70	712	712	630	0	630	0	2, 557	1. 3821%	2, 557	1. 3821%	None

Note : (1) Represents pension contribution required by laws.



Range of Remuneration

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated financial statements (E)
Less than NT\$ 1,000,000	None	None
NT\$1,000,000 ~ NT\$1,999,999	None	None
NT\$2,000,000 ~ NT\$3,499,999	Chin-Tsu Hsieh	Chin-Tsu Hsieh
NT\$3,500,000 ~ NT\$4,999,999	Chung-Ming Wu	Chung-Ming Wu
NT\$5,000,000 ~ NT\$9,999,999	None	None
NT\$10,000,000 ~ NT\$14,999,999	None	None
NT\$15,000,000 ~ NT\$29,999,999	None	None
NT\$30,000,000 ~ NT\$49,999,999	None	None
NT\$50,000,000 ~ NT\$99,999,999	None	None
Greater than or equal to NT\$100,000,000	None	None
Total	2	2

### 2.2.3 Names of managers who received employee remuneration

Unit: NT\$ thousands

	Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Company officer	President	Chung-Ming Wu	0	1,048	1,048	0.5668%
	Vice President	Chin-Tsu Hsieh	0	630	630	0.3404%
	Deputy Manager of the President's Office and Acting Spokesperson	Chun Chieh Lin	0	1,915	1,915	1.0347%
	Manager of the Quality Assurance Department	Ming-Hsing Lin				
	Manager of the Sales Department	Neng-Tang Chou				
	Manager of the Manufacturing Department	Chia-Che Chang				
	Manager of the Technology R&D Department	Jung-Feng Wu				
	Manager of the Administration Department and Spokesperson	Mei-Niang Liu				
	Chief Internal Auditor	Peu-Jung Wu				
	Corporate Governance Officer	Ya-Ling Huang				

Note:

- (1) According to the Articles of Incorporation, employee remuneration is only paid in cash and not in shares; for this reason, the amount of employee remuneration paid in shares shown in the above chart is 0.
- (2) Financial and accounting affairs are handled by separate and independent sub-divisions under the Administration Department.

**2.2.4** Amount of compensation paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, President, and vice presidents, and their respective proportions to net income, as well as the policies, standards, and packages by which they were paid, the procedures through which compensation was determined, and the association with business performance and future risks:

1. Percentage of separate or standalone net income paid by the Company and all companies included in the consolidated financial statements as compensation to the Company's directors, supervisors, President, and vice presidents in the last 2 years

Item Title	The company				Companies in the consolidated financial statements			
	2023		2024		2023		2024	
	Amount (thousands)	Ratio of the net income(after tax)	Amount (thousands)	Ratio of the net income(after tax)	Amount (thousands)	Ratio of the net income(after tax)	Amount (thousands)	Ratio of the net income(after tax)
Remuneration of Directors(Note2)	18,726	10.32%	18,671	10.09%	18,726	10.32%	18,671	10.09%
Remuneration of the President and Vice Presidents	6,447	3.55%	6,380	3.45%	6,447	3.55%	6,380	3.45%

Note : 1. The total remuneration for directors in 2024 slightly decreased compared to 2023, primarily due to a reduction in the allocation of year-end bonuses for those directors who also serve as employees. Similarly, the total remuneration for the General Manager and Deputy General Managers in 2024 slightly decreased compared to 2023, also due to a decrease in the allocation of year-end bonuses.

Note : 2. Directors' compensation includes remuneration received by two directors who also serve as general managers and employees.

2. Compensation policies, standards, packages, and procedures, and association with future risks and business performance:

(1) Compensation policy, standards, packages:

A. Directors' compensation is paid according to Article 23 of the Company's "Articles of Incorporation," which caps the amount of director remuneration at 5% of the profit before tax, employee remuneration, and director remuneration. However, profit must first be retained for reimbursement of cumulative losses, if any.

Directors' compensation is subject to regular evaluation according to the "Director Remuneration and Employee Remuneration Allocation Policy." The outcome of the performance evaluation and the rationality of the compensation are subject to review by the Remuneration Committee and board of directors, at which time the board will again approve the final sum after taking into consideration the uncertainties and risks associated with future operations, and allocate it to individual directors based on the level of contribution to the Company's performance. Furthermore, according to the Company's "Director Remuneration and Employee Remuneration Allocation Policy," independent directors are paid monthly fixed compensation and are not entitled to director

remuneration. Allocation of the above director remuneration has to be reported to the shareholders' meeting.

- B. Managers' compensation is determined according to internal policies such as "Remuneration Committee Charter," "Director Remuneration and Employee Remuneration Allocation Policy," "Year-end Bonus and Special Bonus Allocation and Payment Policy," "Salary Determination Policy," and "Labor Pension Management Policy." Yearly compensation for members of the executive management includes a fixed component and a variable component that changes depending on the performance results. Compensation for senior managers is correlated with operational performance. According to the Company's "Articles of Incorporation," at least 2% of profit concluded in the year shall be allocated as employee remuneration (from profit before tax, employee remuneration, and director remuneration). However, profit must be retained to cover cumulative losses, if any. The above decisions are subject to board of directors' approval and reported to the shareholders' meeting.  
Outcome of the performance evaluation conducted in accordance with the "Director Remuneration and Employee Remuneration Allocation Policy" will serve as reference for the payment of managers' bonus. Managers' performance is evaluated using financial indicators including the management profit and loss account, profit contribution of individual business segments/departments, and managers' target attainment rates, which provide the basis for performance-based compensation. The compensation system is examined from time to time to reflect operating conditions and to comply with applicable laws.
  - C. Managers' compensation package, as outlined in the Remuneration Committee Charter, includes cash salary, retirement benefits or severance pay, allowances, and incentives. These payments are consistent with the scope of directors' and managers' compensation stated in the "Regulations Governing Information to Be Published in Annual Reports of Public Companies."
- (2) Procedures for determining compensation:
- A. Directors' and managers' compensation is regularly assessed based on the outcome of the performance evaluation conducted in accordance with the "Director Remuneration and Employee Remuneration Allocation Policy." Meanwhile, compensation for the Chairman and the President is determined according to the "Salary Determination Policy" and "Year-end Bonus and Special Bonus Allocation and Payment Policy" after taking into consideration the peer level and operational performance indicators, and is subject to the review of the Remuneration Committee. To ensure strong association with corporate performance, the Company measures managers' performance using operational, governance, and financial indicators such as profit before tax, Corporate Governance Evaluation etc.
  - B. In fiscal year 2024, the performance self-evaluations of the Board of Directors, individual board members, and members of all functional committees all exceeded standards. The Company's pre-tax net profit for 2024 was NT\$397,251 thousand, representing a 6.54% increase compared to the pre-tax net profit of NT\$372,870 thousand in 2023. In the Corporate Governance Evaluations for listed and OTC companies, the Company ranked in the top 6%–20% among OTC-listed companies in the 1st through 9th and the 11th evaluations, and ranked in the 21%–35% range in the 10th evaluation. The performance evaluation results of managers for fiscal year 2024 all met the predetermined target requirements.
  - C. Directors' and managers' performance evaluation and the rationality of their compensation are subject to annual review by the Remuneration Committee and the board of directors, which takes into consideration not only individual performance, target

attainment, and contribution, but also the Company's overall business performance, future industry risks and trends etc. The Company examines its compensation system from time to time to reflect the prevailing circumstances and laws, and sets compensation at a reasonable level after taking into account current corporate governance trends, business continuity, and risk management concerns. The actual amounts of 2024 directors' and managers' compensation paid were reviewed by the Remuneration Committee and presented for resolution by the board of directors.

(3) Association with business performance and future risks:

- A. The Company adjusts its compensation policies, standards, and systems primarily to support overall operations. Individual compensation is determined based on target attainment and level of contribution, and this association is deemed effective at improving the overall efficiency of the board of directors and the management. The Company also observes the compensation standards of its peers to ensure that it remains competitive at retaining top management talent in the given industry.
- B. The Company has aligned the performance targets of its managers with "risk management" to ensure that risks within the scope of duty are duly managed and prevented. Outcomes of the performance evaluation are associated with human resources and salary/compensation policies. All important decisions by the management are made after weighing various risk factors. Outcomes of such decisions are reflected in the final profit performance, and are relevant to the management's compensation and future risk control efforts.

## 2.3 Implementation of Corporate Governance

### 2.3.1 Operations of the Board of Directors

#### Operations of the Board of Directors

total of 6 (A) meetings of the Board of Directors were held in 2024. The attendance of director and supervisor were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Chairman	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung-Yi Wu	6	0	100%	5/30/2023 Re-election for another term
Director	IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu	6	0	100%	5/30/2023 Re-election for another term
Director	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu	6	0	100%	5/30/2023 Re-election for another term
Director	Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin	6	0	100%	5/30/2023 Re-election for another term
Director	GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	6	0	100%	5/30/2023 Re-election for another term
Director	Yu-Meu Wu	6	0	100%	5/30/2023 Re-election for another term
Director	CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu	6	0	100%	5/30/2023 Re-election for another term
Independent Director	Chia-Chi Kuo	6	0	100%	5/30/2023 Re-election for another term
Independent Director	Yi-Min Lin	6	0	100%	5/30/2023 Re-election for another term
Independent Director	Cheng-Shong Hong	6	0	100%	5/30/2023 Re-election for another term
<p>Other information required:</p> <p>I) For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the company has responded to such opinions:</p> <p>(1) Conditions described in Article 14-3 of the Securities and Exchange Act:</p>					

Meeting date (session)	Motion details	Opinions from all independent directors and the Company’s response to independent directors’ opinions
February 27, 2024 (1st meeting of 2024)	2023 earnings distribution proposal.	Passed by all independent directors
	Discussion on the issuance of the 2023 “Declaration of Internal Control System of Fine Blanking & Tool Co., Ltd.”	
	Discussion on the regular assessment of CPAs’ independence in accordance with regulations and CPA appointment for 2024.	
May 10, 2024 (2th meeting of 2024)	Authorization regarding the termination of operating rights for the mainland subsidiary Suzhou Fine Blanking & Tool Co., Ltd., discussion.	
December 18, 2024 (6th meeting of 2024)	Review of the 2024 Board of Directors and Employee Compensation Distribution	
	Discussion on the revision of the Company's "Internal Control System" and "Internal Audit Implementation Guidelines"	
February 24, 2025 (1th meeting of 2025)	2024 earnings distribution proposal.	
	Discussion on the issuance of the 2024 “Declaration of Internal Control System of Fine Blanking & Tool Co., Ltd.”	
	In accordance with legal requirements, the Company regularly evaluates the independence of its appointed certified public accountants. A discussion and evaluation regarding the appointment of new CPAs for the audit and certification of financial reports, effective from the first quarter of 2025, has been conducted due to internal business adjustments within Ful-Fill & Co., CPAs.	

(2) Any other documented objections or reservations raised by independent director against board resolutions in relation to matters other than those described above: None.

II) Disclosure regarding avoidance of motions involving conflicts of interest, including the names of directors concerned, motion details, the nature of the conflicts of interest, and the voting process.

None of the motions discussed in board of directors meetings in 2024 posed any conflicts of interest for which directors were required to recuse themselves from voting.

III) TWSE/TPEX listed companies are required to disclose the cycle, duration, scope, method, and details of the self (or peer) evaluation of the board performance, and complete Attachment 2 section (2) - Execution of Board Performance Evaluation.

Please see the attached Chart - Execution of Board Performance Evaluation on the next page for details on the board performance evaluation for 2024.

IV) Enhancements to the functionality of the board of directors in the current and the most recent year (e.g. assembly of an Audit Committee, improvement of information transparency etc.), and the implementation of such enhancements.

1. The Company has set up a Remuneration Committee according to regulations and amended its internal control system to include operational guidelines for the Remuneration Committee. The Remuneration Committee held two meetings in 2024 to assist the board of directors with various duties, and its presence contributes to overall corporate governance efforts.

2. The Articles of Incorporation require all director elections to be carried out using the candidate nomination system. During the meetings held on February 27, 2024, and February 24, 2025, the board of directors resolved and announced details relating to the motion proposals from shareholders with an ownership interest of 1% . In accordance with regulations, the period for shareholder proposals and the results of the proposals have been announced. No shareholder proposals were submitted.
3. The company ranked in the top 6% to 20% in the "OTC" group during the 1st to 9th and 11th sessions of the listed company "Corporate Governance Evaluation." In the 10th session, the company ranked in the top 21% to 35% of the "OTC" group.
4. In the year 2024, the Audit Committee held 5 meetings, assisting the Board of Directors in overseeing the proper representation of the company's financial statements, the selection (and dismissal) of the certified public accountant and their independence and performance, the effective implementation of the company's internal controls, and the management of existing or potential risks to the company.

Board of Directors\_Directors' Attendance in 2024

Title	Name	1st	2nd	3rd	4th	5th	6th
		2/27 /2024	5/10 /2024	5/21 /2024	8/7 /2024	10/31 /2024	12/18 /2024
Chairman	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung-Yi Wu	●	●	●	●	●	●
Director	IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu	●	●	●	●	●	●
Director	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu	●	●	●	●	●	●
Director	Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin	●	●	●	◎	◎	◎
Director	GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	◎	◎	●	◎	●	◎
Director	CHING YUAN INVESTMENT Co.,Ltd. Representative: Yen-Hsing Wu	●	◎	◎	◎	◎	◎
Director	Yu-Meu Wu	●	●	●	●	●	●
Independent Director	Chia-Chi Kuo	●	●	●	◎	●	●
Independent Director	Yi-Min Lin	●	●	●	●	●	●
Independent Director	Cheng-Shong Hong	●	◎	●	◎	●	●

Note: ●: Attended in person ◎: Attended by video ○: Attended by proxy △: Did not attend



## **Execution of Board Performance Evaluation**

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Performed at least once a year	January 1 to December 31, 2024	Board of directors	Board of directors internal self-assessment	Level of participation in the Company's operations, Quality of decisions made by the board of directors, Composition of the board of directors, Election and continuing education of directors, Internal control Awareness and Participation Level of Company in ESG Promotion
	January 1 to December 31, 2024	Individual Board members	Self-Evaluation by Board Members	Comprehension of the Company's targets and missions, Awareness of the director's duties, Level of participation in the Company's operations, Management and communication of internal relations, Professionalism and continuing education of the director, Internal control
	January 1 to December 31, 2024	Audit Committee	Internal Self-Evaluation by the Audit Committee	Level of participation in the Company's operations, Awareness of the functional committee's duties, Quality of decisions made by the functional committee, Composition of the functional committee and selection of committee members, Internal control
	January 1 to December 31, 2024	Remuneration Committee	Internal Self-Evaluation by the Remuneration Committee	Level of participation in the Company's operations, Awareness of the functional committee's duties, Quality of decisions made by the functional committee, Composition of the functional committee and selection of committee members, Internal control

Note: The outcome of the 2024 board performance self-assessment was presented during the board of directors meeting held on February 24, 2025, to serve as reference for review and improvement. During the self-assessment, concerns were raised with regards to:

Evaluation Scope	Items with Lower Scores	Future Actions
Board of directors internal self-assessment	<p>F.Awareness and Participation Level of the Company in ESG Promotion:</p> <p>49. The Board of Directors (including the Compensation Committee) has incorporated climate change-related performance indicators as one of the factors in evaluating and formulating the compensation policies for directors and managers.</p>	The Board Secretariat regularly communicates information related to ESG to the board members, allowing directors to understand and participate in the company's ESG initiatives.
Evaluation Scope	Items with Lower Scores	Future Actions
Individual Director Self-Assessment	<p>B.Awareness of Directors' Duties:</p> <p>5.Newly appointed directors have understood their responsibilities and are familiar with the company's operations and environment.</p> <p>19.Directors have pursued diverse courses beyond their respective professional capabilities and engage in appropriate continuing education hours annually.</p>	By participating in board meetings and arranging diverse corporate governance courses for continuing education, directors enhance their professionalism in understanding the responsibilities and operational modes of the board.
Audit Committee	<p>D. Composition and Appointment of Functional Committees</p> <p>19. The composition of functional committees is appropriate and possesses the necessary expertise required for the decision-making process.</p> <p>E. Internal Control</p> <p>22. The Audit Committee is able to effectively evaluate and oversee the effectiveness of internal control systems and risk management.</p>	Enhance the Audit Committee's understanding of the company's operations and business model, as well as its oversight of the effectiveness of internal control systems.
Remuneration Committee	<p>B. Awareness of Functional Committees' Responsibilities</p> <p>6. The functional committees are able to effectively assess and monitor various existing or potential risks faced by the company.</p>	Strengthen information provision to enable the Compensation Committee to effectively monitor potential risks faced by the company.

## 2.3.2 Operations of Audit Committee :

1. Operations of Audit Committee : The Audit Committee was established On June 18, 2020

### Operations of the Audit Committee

total of 5 (A) Audit Committee meetings were held in 2024.

The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	Yi-Min Lin	5	0	100%	5/30/2023 Re-election 5/30/2023 The re-elected convener 1/1/2025 The convener stepped down
Committee Member	Chia-Chi Kuo	5	0	100%	5/30/2023 Re-election
Committee Member	Cheng- Shong Hong	5	0	100%	5/30/2023 Re-election 1/1/2025 Assumed the role of convener.

Other information required:

- For Audit Committee meetings that meet any of the following conditions, state the date and session of the board of directors meeting held, the discussed topics, the Audit Committee's resolution, and how the Company has responded to Audit Committee's opinions.
  - For an explanation of the issues listed in Article 14-5 of the Securities and Exchange Act, please refer to the Functionality of the Audit Committee chart presented on pages 41
  - Other than those described above, any resolutions unsupported by the Audit Committee but passed by more than two-thirds of the directors: None
- Disclosure regarding avoidance of motions involving conflicts of interest, including the names of independent directors concerned, motion details, the nature of the conflicts of interest, and the voting process.  
None of the motions discussed in Audit Committee meetings in 2024 posed any conflicts of interest for which independent directors were required to recuse themselves from voting.
- Communication between independent directors and internal/external auditors
  - Communication between the Audit Committee and the Chief Internal Auditor in the year: Satisfactory.  
The Company's Chief Internal Auditor is called into Audit Committee and board of directors meetings to report on the recent execution of audit tasks on a yearly basis. The Chief Internal Auditor also reports to each independent director on the overall progress of audit tasks conducted in the previous year during the first Audit Committee meeting of a new year, and fully communicates with independent directors on the scope of the audit, any defects and abnormalities discovered within the internal control system, and improvement and follow-up actions. The internal audit unit not only produces monthly and quarterly audit reports and follow-up reports for independent directors, but may also engage independent directors in direct communication through means such as e-mail, telephone, and face-to-face discussion if necessary.

Meeting date Meeting session	Communication matters	Independent directors' opinions	Communication results
February 27, 2024 1st meeting of 2024	Report on audit tasks executed from 2023 to January 2024 and the establishment and implementation of the internal control system in subsidiaries.	Questions and discussions	After discussion, the independent directors had no objection to the report on audit task execution.
	Discussion on the issuance of the 2023 "Declaration of Internal Control System of Fine Blanking & Tool Co., Ltd."	Questions and discussions	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for approval.
May 10, 2024 2nd meeting of 2024	Report on audit tasks executed from February 2024 to March 2024 and the establishment and implementation of the internal control system in subsidiaries.	Questions and discussions	After discussion, the independent directors had no objection to the report on audit task execution.
August 1, 2024 3rd meeting of 2024	Report on audit tasks executed from April 2024 to June 2024 and the establishment and implementation of the internal control system in subsidiaries.	Questions and discussions	After discussion, the independent directors had no objection to the report on audit task execution.
October 31, 2024 4th meeting of 2024	Report on audit tasks executed from July 2024 to September 2024 and the establishment and implementation of the internal control system in subsidiaries.	Questions and discussions	After discussion, the independent directors had no objection to the report on audit task execution.
December 18, 2024 5th meeting of 2024	Report on audit tasks executed from October 2024 to November 2024 and the establishment and implementation of the internal control system in subsidiaries.	Questions and discussions	After discussion, the independent directors had no objection to the report on audit task execution.
	"Deliberation on the Revision of the Company's 'Internal Control System' and 'Internal Audit Implementation Guidelines'"	Questions and discussions	After the Chairman inquired and no objections were raised by the attending committee members, the proposal was approved as presented and will be submitted to the Board of Directors for approval.
	Review of the Audit Plan for the Fiscal Year 2025.	Questions and discussions	After discussion, the independent directors had no objection to the report on audit task execution.

February 24, 2025 1st meeting of 2025	Report on audit tasks executed from December 2024 to January 2025 and the establishment and implementation of the internal control system in subsidiaries.	Questions and discussions	After discussion, the independent directors had no objection to the report on audit task execution.
	Discussion on the issuance of the 2024 “Declaration of Internal Control System of Fine Blanking & Tool Co., Ltd.”	Questions and discussions	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for approval.

(2) Communication between the Audit Committee and financial statement auditors in 2024: Satisfactory.

The Company’s financial statement auditors participate in Audit Committee and board of directors meetings to discuss matters relating to the financial reports on a quarterly basis. The financial statement auditors may also engage the Audit Committee or individual independent directors in separate discussions as needed based on their professional judgment.

Meeting date Meeting session	Communication matters	Independent directors’ opinions	Communication results
February 27, 2024 1st meeting of 2024	Review of the Company’s 2023 financial statements and consolidated financial statements encompassing business investments.	Questions and discussions	Passed by the Audit Committee and presented to the board of directors for acknowledgment, and subsequently announced and filed with the authority in a timely manner.
May 10, 2024 2nd meeting of 2024	Review of the Company’s 2024 first-quarter financial statements and consolidated financial statements encompassing business investments.	Questions and discussions	Passed by the Audit Committee and presented to the board of directors for acknowledgment, and subsequently announced and filed with the authority in a timely manner.
August 1, 2024 3rd meeting of 2024	2024 first-half consolidated financial statements encompassing business investments	Questions and discussions	Passed by the Audit Committee and presented to the board of directors for acknowledgment, and subsequently announced and filed with the authority in a timely manner.
October 31, 2024 4th meeting of 2024	Consolidated financial statements and consolidated financial statements encompassing business investments for the third quarters of 2024.	Questions and discussions	Passed by the Audit Committee and presented to the board of directors for acknowledgment, and subsequently announced and filed with the authority in a timely manner.

February 24, 2025 1st meeting of 2025	Review of the Company's 2024 financial statements and consolidated financial statements encompassing business investments.	Questions and discussions	Passed by the Audit Committee and presented to the board of directors for acknowledgment, and subsequently announced and filed with the authority in a timely manner.	
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During the fiscal year 113, the Audit Committee held 5 meetings. The attendance of independent directors is as follows:

**Audit Committee\_ Attendance of independent directors 2024**

Title	Name	1st	2nd	3rd	4th	5th
		2/27 /2024	5/10 /2024	8/1 /2024	10/31 /2024	12/18 /2024
Independent Director	Yi-Min Lin	●	●	●	●	●
Independent Director	Chia-Chi Kuo	●	●	●	●	●
Independent Director	Cheng-Shong Hong	●	◎	◎	●	●

Note: ●: Attended in person ◎: Attended by video ○: Attended by proxy △: Did not attend

## Functionality of the Audit Committee

The Audit Committee consists of 3 independent directors; their responsibilities are to assist the board of directors in supervising the quality and integrity of the Company's accounting, auditing, financial reporting, and financial control processes.

Below is a list of meetings that the Audit Committee held from 2024 up until the publication date of the annual report concerning the matters mentioned in Article 14-5 of the Securities and Exchange Act:

Audit Committee meeting date	Motion No.	Motion details	Resolution	Company's response to the Audit Committee's opinions	Board meeting date	Board resolution
February 27, 2024 1st meeting of 2024	Motion 1	Review of the Company's 2023 financial statements and consolidated financial statements encompassing business investments.	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment.	No opinion expressed	February 27, 2024 1st meeting of 2024	Passed as proposed without objection from attending directors when inquired by the chair; to be presented during shareholder meeting for acknowledgment.
	Motion 2	Review of the 2023 earnings distribution.		No opinion expressed		Passed as proposed without objection from attending directors when inquired by the chair.
	Motion 3	Discussion on the issuance of the 2023 "Declaration of Internal Control System of Fine Blanking & Tool Co., Ltd."	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for approval.	No opinion expressed		Passed as proposed without objection from attending directors when inquired by the chair.
	Motion 4	Discussion on the regular assessment of CPAs' independence. (Appointment of 2024 CPAs)		No opinion expressed		Passed as proposed without objection from attending directors when inquired by the chair.
May 10, 2024 2nd meeting of 2024	Motion 1	Review of the Company's 2024 first-quarter financial statements and consolidated financial statements encompassing business investments.	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment.	No opinion expressed	May 10, 2024 2nd meeting of 2024	Passed as proposed without objection from attending directors when inquired by the chair.
	Motion 2	Authorization regarding the termination of operating rights for the mainland subsidiary Suzhou Fine Blanking & Tool Co., Ltd., discussion.	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment.	No opinion expressed		Passed as proposed without objection from attending directors when inquired by the chair.
August 1, 2024 3rd meeting of 2024	Motion 1	Deliberation on the Consolidated Business Report for the First Half of 2024 and the Consolidated Financial Statements Including Subsidiaries and Investee Companies.	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment.	No opinion expressed	August 1, 2024 3rd meeting of 2024	Passed as proposed without objection from attending directors when inquired by the chair.
October 31, 2024 4th meeting of 2024	Motion 1	Review of consolidated financial statements encompassing business investments for the first three quarters of 2024	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment.	No opinion expressed	October 31, 2024 4th meeting of 2024	Passed as proposed without objection from attending directors when inquired by the chair.
December 18, 2024 5th meeting of 2024	Motion 1	Discussion on the revision of the Company's "Internal Control System" and "Internal Audit Implementation Guidelines"	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for approval.	No opinion expressed	December 18, 2024 5th meeting of 2024	Passed as proposed without objection from attending directors when inquired by the chair.
	Motion 2	Review of the 2025 audit plan.	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment.	No opinion expressed		Passed as proposed without objection from attending directors when inquired by the chair.
	Motion 3	Review of the capital expenditure budgets for 2025.	Passed as proposed without objection from attending members when inquired by the chair; to be included in the 2022 financial statements budget and presented to the board of directors for review.	No opinion expressed		Passed as proposed without objection from attending directors when inquired by the chair.
February 24, 2025 1st meeting of 2025	Motion 1	Review of the Company's 2024 financial statements and consolidated financial statements encompassing business investments.	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment.	No opinion expressed	February 24, 2025 1st meeting of 2025	Passed as proposed without objection from attending directors when inquired by the chair; to be presented during shareholder meeting for acknowledgment.
	Motion 2	Review of the 2024 earnings distribution.		No opinion expressed		Passed as proposed without objection from attending directors when inquired by the chair.
	Motion 3	Discussion on the issuance of the 2024 "Declaration of Internal Control System of Fine Blanking & Tool Co., Ltd."	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for approval.	No opinion expressed		Passed as proposed without objection from attending directors when inquired by the chair.
	Motion 4	In accordance with legal requirements, the Company regularly evaluates the independence of its appointed certified public accountants. A discussion and evaluation regarding the appointment of new CPAs for the audit and certification of financial reports, effective from the first quarter of 2025, has been conducted due to internal business adjustments within Fuli & Co., CPAs.		No opinion expressed		Passed as proposed without objection from attending directors when inquired by the chair.

### 2.3.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company first established its “Corporate Governance Code of Conduct” in 2015 and made subsequent amendments on March 21, 2017, March 20, 2019, June 18, 2020, March 2, 2022, March 6, 2023, and February 27, 2024. The “Corporate Governance Code of Conduct” has been disclosed on Market Observation Post System and the Company’s website.	None
2. Shareholding structure & shareholders’ rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The Company has appointed a spokesperson, an acting spokesperson, shareholder services personnel, and legal consultants to handle shareholders’ queries, disputes, and litigations.	(1) None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The Company has shareholder services personnel and stock transfer agent available to assist in the matter. Through these parties, the Company obtains up-to-date information on the shareholding position of its directors, managers, and shareholders with an ownership interest of 10% or more and is able to ensure the stability of management control.	(2) None
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) The Company has implemented <u>Related Party Transaction Procedures</u> and “Procedures on Financial and Business Dealings between Affiliated Enterprises” as part of its internal control system to control and manage risks associated with related party transactions. A set of “Subsidiary Supervision and Management Processes” has also been established to enforce control over subsidiaries.	(3) None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		(4) The Company has established an <u>Insider Trading Prevention Policy</u> as part of its internal control system to prohibit all employees, managers, and directors of the Company, and any party that gains non-public information of the Company through business dealings or control, from trading using such information. All new insiders are required to provide information relating to insider trading and insider shareholding, and participate in shareholding seminars organized by the competent authority.	(4) None



Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p>	V		<p>(1) The Company has outlined a set of diversity criteria for board members in the “Corporate Governance Code of Conduct,” which states that there should be no more than one-third of board members holding concurrent position as managers, and that board members should be diversified in a manner that supports the Company’s operations, business activities, and growth requirements, using at least the following two principles: 1. Background and values: Gender, age, nationality, culture etc. 2. Knowledge and skills: Professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. All directors of the Company are elected using the candidate nomination system. The nomination takes into consideration not only the diversity of directors’ backgrounds, professional capacities, and experience, but also their ethics, conduct, leadership, and reputation. One of the non-independent directors is female, and one of the independent directors is female. Independent directors currently include a professor of electrical engineering and a licensed CPA. Refer to “2(1) Directors’ background (2)” (pages 14-19) for board diversity and independence.</p>	(1) None
<p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee</p>	V		<p>(2) All important resolutions of the Company are made by the board of directors. The Company first introduced two independent director positions in 2002, and increased the number of seats to three during the director re-election held on June 18, 2020, at which time an Audit Committee was also set up. The Remuneration Committee was set up in 2021. The Company set up a CSR Committee comprising the management team in 2015, and later renamed it the Sustainability Committee on December 21, 2021. The committee is responsible for overseeing sustainability-related matters, and makes annual reports to the board of directors on the progress and outcome of its efforts.</p>	(2) None

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>3. Composition and duties of the Board of Directors</p> <p>(3).Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?</p>	V		<p>(3). The Company established the “Board of Directors Performance Evaluation Measures” on August 10, 2017, and subsequently amended them on March 20, 2019; December 15, 2020; December 13, 2023; and December 18, 2024. The terms of this policy have been disclosed on Market Observation Post System and the Company’s website. The performance evaluation for year 2024 was completed between January and February 2025, and the outcomes were presented to the board of directors meeting held in February 2025. In the future, the Company will use annual questionnaires as a way for directors to self-assess their performances and discuss issues that require special attention. Questionnaire responses will be used as reference for the compensation and nomination of individual directors in the future.</p>	(3) None
<p>(4).Does the company regularly evaluate the independence of CPAs?</p>	V		<p>(4).The board of directors evaluates the independence of the Company’s financial statement auditors during the first meeting of each year using the independence criteria outlined in Article 47 of the Certified Public Accountant Act and Statement of CPA Professional Ethics No. 10. The evaluation found no penalties or occurrences had taken place before the board meeting that might have compromised the independence of the financial statement auditors. The rotation of the CPAs within the accounting firm was also found to have complied with the applicable rules. The company revised the "Corporate Governance Code" on March 6, 2023, and the company will regularly (at least once a year) refer to the audit quality indicators (AQIs), Assess the independence and suitability of the appointed accountants. The company's audit committee evaluates the independence and competency of its certified accountants every year. In addition to requiring certified accountants to provide "declaration of detachment and independence" and "audit quality indicators (AQIs)", and evaluated in accordance with the standards of Note 1 and 13 AQI indicators. It is confirmed that the accountant has no other financial interests or business relationships with the company except for fees for visas and financial and tax cases, and the</p>	(4) None

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			accountant's family members do not violate independence requirements., and refer to the AQI indicator information to confirm that the accounting experience and turnover rate of the accountants and firms are better than the average level of the industry, and they are familiar with the company's audit quality control. The evaluation results for the 113th and 114th years were discussed and approved by the Audit Committee on February 27, 113 and February 24, 114, respectively. These results were then presented to the Board of Directors, which passed resolutions on February 27, 113 and February 24, 114, respectively, approving the assessment of the independence and suitability of the accountants.	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		<p>On March 21, 2017, amendments were made to the “Corporate Governance Code of Conduct” to appoint the Administration Department as the corporate governance unit. On March 6, 2023, it was approved to appoint department head Ya-Ling Huang as Corporate Governance Supervisor. Its responsibilities are to handle corporate governance-related matters under the supervision of the President. A more detailed breakdown of duties is as follows:</p> <ol style="list-style-type: none"> <li>1.Board meeting and shareholders’ meeting affairs, and helping the Company comply with relevant laws concerning board meetings and shareholders’ meetings.</li> <li>2.Preparation of conference materials and minutes for board meetings and shareholders’ meetings.</li> <li>3.Assist directors in taking office and continuing their education.</li> <li>4.Provide the necessary information for Directors and Audit Committee to carry out their business.</li> <li>5.Assist Directors and Audit Committee in complying with laws and regulations.</li> <li>6.Report to the board of Independent Directors on the results of its review of the compliance of the qualifications of Independent Directors with the relevant laws and regulations at the time of their nomination, election and during their term of office.</li> <li>7.Handle matters related to changes in Directors.</li> <li>8. Other matters mentioned in the Articles of Incorporation or contracts.</li> </ol>	None

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		<p>1. The Company has internal communication policies and open channels in place to communicate with stakeholders including shareholders, employees, customers, suppliers, banking partners, creditors, and local communities and companies. The Company respects the rightful interests of all its stakeholders.</p> <p>2. The Company has a spokesperson, acting spokesperson, and shareholder services personnel in place to maintain communication with stakeholders. The spokesperson’s and acting spokesperson’s contact information has been disclosed on the corporate website, while a dedicated stakeholders section has been created specifically to respond to issues that are of concern to stakeholders, including CSR-related issues.</p>	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has engaged the Share Administration Department of Yuanfa Securities Co., Ltd. to handle matters relating to shareholders’ meetings.	None
<p>7. Information Disclosure</p> <p>(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?</p> <p>(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p>	V		<p>(1) The Company has set up its own website (<a href="http://www.fineblanking.com.tw/">http://www.fineblanking.com.tw/</a>) and assigned dedicated personnel to maintain and update information. In addition to business information, an investors section has been created to disclose financial, corporate governance, shareholder, and social responsibility information with links to the “Market Observation Post System” for shareholders’ and the public’s reference.</p> <p>(2) The Company has assigned dedicated personnel to gather and disclose corporate information. All mandatory disclosures have been made on “Market Observation Post System” and the corporate website, and a spokesperson system has been implemented according to regulations to handle related matters. The corporate website contains an investor conference section that consolidates information released through investor conferences for the convenience of investors.</p>	<p>(1) None</p> <p>(2) None</p>

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
7. Information Disclosure (3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		V	(4) The Company complies with regulations by publishing and filing annual financial statements within 75 days after the end of each financial year, and publishing and filing Q1, Q2, and Q3 financial reports and announcing monthly business performance before the required due dates. All above information has been disclosed on Market Observation Post System ( <a href="https://mops.twse.com.tw/mops/web/index">https://mops.twse.com.tw/mops/web/index</a> ).	(3) As stated in the Summary
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>(1) Employee rights The Company has established personnel management and salary policies according to employment regulations to address matters concerning employees’ rights, such as salary, benefits, work details, training, leave of absence, retirement etc., and ensure that employees’ rights are duly protected. The Company adopts systematic practices on salary and benefits, and makes contributions to both new and old pension schemes as required by law, pays benefits, allocates employee remuneration, and arranges group insurance coverage for employees. Significant attention has been directed toward protecting employees’ retirement interests and the functioning of the welfare committee.</p> <p>(2) Employee care            ① The Company cares for its employees by adopting a supporter system, in which the line manager is tasked with the duty of caring for employees. It is also stated in personnel policies and rules of the Employee Welfare Committee that the executive management, department head, and supporters shall extend care and offer the needed assistance for occasions such as weddings, celebrations, and funerals, or in the event of personal or family troubles.            ② Arrangements such as regular health checkup, on-site physician, mental counseling, physiotherapy service, and professional nurse have been made to cater to employees’ physical and mental health. Events such as sports days, meal</p>	None

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>gatherings, tours, health management programs, fitness programs, health courses, and group activities are organized on a yearly basis to promote health awareness.</p> <p>③ The Company has been certified for ISO 14001 and ISO 45001/CNS 45001, and strives to maintain a management system that improves persistently for the safety and health of employees as well as the local community.</p> <p>(3) Investor relations The Company has created a contact window specifically for shareholder services. Business information and material information is released through the Market Observation Post System both on a regular and irregular basis. Contact information of the spokesperson has been posted on the corporate website to maintain productive interaction with shareholders.</p> <p>(4) Supplier relations The Company and its Chinese and Vietnamese subsidiaries have all passed IATF 16949 certification, whereas the Company and Mainland subsidiary have been certified for ISO 14001. Supplier relationship management policies have been established in accordance with prevailing systems and practices, and resources are being committed to building long-term partnership with suppliers. In 2015, the Company began promoting corporate social responsibility (CSR) and incorporated CSR values into supplier audits as a way to enforce CSR throughout the supply chain.</p> <p>(5) Stakeholder interests ① The Company handles stakeholder interests according to Articles 50 of its Corporate Governance Code of Conduct. An investors section has been created on the corporate website (<a href="http://www.fineblanking.com.tw/">http://www.fineblanking.com.tw/</a>) to disclose information relating to financial performance, corporate governance, shareholders, and social responsibility; meanwhile, a stakeholders section has been created to provide information that is useful to shareholders and stakeholders.</p>	

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>② The Company and its Chinese subsidiary have passed ISO 14001 certification, and duly observe the standards to maintain and protect the factory environment, thereby contributing to environmental protection.</p> <p>③ In terms of community relations, the Company actively takes part in various activities held within the community and industrial zone.</p> <p>(6) Directors’ continuing education: Independent Directors Kuo, Chia-Chi, Lin, I-Min, and Hung, Chun-Hsiung have undertaken continuing education courses each year since assuming office. Other directors undertake training courses as time allows. Please see page 86 of the annual report for details on directors’ education in 2024 up until the publication date of annual report.</p> <p>(7) The Company set up a Risk Management Committee and established a set of policies on the identification and management of environmental issues/risks in April 2017, and has been adopting prevention measures against the risks identified. An internal control system has been created in accordance with laws and an internal audit unit has been assigned to conduct audits on a regular and irregular basis. Please refer to “Evaluation of risk management issues” on pages 152-158 of this annual report for details.</p> <p>(8) With regards to the execution of customer policy, the Company and the Chinese and Vietnamese subsidiaries have all passed IATF 16949 certification and become a member of the automobile OEM supply chain. Persistent product R&amp;D and the ability to deliver high-quality products at low cost in a timely manner are what have enabled the Company to maintain long-term relationships with customers and supply partners.</p> <p>(9) Liability insurance for directors and supervisors: Starting from March 20, 2019, the Company has subscribed to liability insurance coverage for directors, supervisors, and key staff for a sum of US\$3,000,000, and renewed coverage on a yearly basis.</p> <p>(10) The Company amended its Articles of</p>	

Evaluation Item	Implementation Status <sup>1</sup>			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Incorporation in 2006 to introduce a candidate nomination system for all independent director, non-independent director, and supervisor elections. On June 18, 2020, amendments were made to the Articles of Incorporation to abolish the supervisor system and set up an Audit Committee. The board of directors convenes at least 6 meetings each year, and all directors make active contributions to the Company’s operations as well as risk supervision efforts. The board held a total of 6 meetings in 2024 and maintained an attendance rate of 100%.	
<p>9. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified.</p> <p>The Company was ranked in the 6%–20% percentile of the TPEX-listed companies in the 1st through 9th and 11th Corporate Governance Evaluations, and in the 21%–35% percentile in the 10th Evaluation. In the transition from 2023 to 2024, improvements were made in areas where our company did not score in the previous year, as detailed in the table on the following page.</p>				



**Corporate governance evaluation outcome - Improvements planned for 2024 in areas where the  
Company failed to score during the 2023 assessment**

Category of indicator	Question No.	Indicator content	Is there any improvement	No improvement yet
Protection of Shareholder Rights and Equal Treatment of Shareholders	1.1	Does the company report the remuneration received by directors in the shareholders' meeting, including remuneration policy, individual remuneration content, and amounts?	No	The individual remuneration content and amounts of this company have been disclosed in the annual report.
	1.2	Has the company established written procedures for financial and business transactions with related parties, including management processes for transactions such as the purchase and sale of goods, and the acquisition or disposal of assets? Do the procedures require that significant transactions be approved by the board of directors and submitted to the shareholders' meeting for approval or reporting?	No	Submit a report to the shareholders' meeting for further evaluation.
	1.8	Does the company upload the annual report 18 days in advance of the shareholders' meeting?	No	Starting from the fiscal year 2024, the plan is to upload the annual report 18 days in advance of the shareholders' meeting.
	1.19	Does the company provide a live online broadcast of the shareholders' meeting or upload a complete, uninterrupted audio and video recording after the meeting?	Yes	
II. Strengthening the structure and operation of the Board of Directors	2.4	Are there no more than two directors in the company who have a spouse or a relative within the second degree of kinship?	No	The plan is yet to be discussed.
	2.7	Does the number of independent directors in the company exceed one-third of the total number of directors' seats?	No	The plan is yet to be discussed.
	2.14	Does the company establish functional committees such as the Nomination Committee, Risk Management Committee, or Sustainability Committee, in addition to those required by law? Are there at least three members, with more than half of them being independent directors, and at least one member possessing the necessary expertise for the committee's functions? Is the composition, responsibilities, and operation of these committees disclosed?	No	The plan is yet to be discussed.
	2.22	Has the Company formulated risk management policies and procedures approved by the Board of Directors to disclose the scope of risk management, organizational structure and operation status, and reported to the Board of Directors at least once a year?	No	The plan is yet to be discussed.
	2.23	Whether the board's performance evaluation method established by the company has been approved by the board, and specifies that an external evaluation must be conducted at least once every three years? Has such evaluation been conducted in the assessed year or the past two years, and are the implementation status and evaluation results disclosed on the company's website or annual report?	No	The execution of the external evaluation is still under discussion.
	2.27	Has the Company formulated an intellectual property management plan that is linked to its operational goals, disclosed the implementation status on the Company's website or in the annual report, and reported to the Board of Directors at least once a year? [If the Taiwan Intellectual Property Management System (TIPS) or similar intellectual property management system certification is obtained, one point will be added to the total score.]	No	The plan is yet to be discussed.
	2.30	Does the Company have at least one internal auditor certified as an international internal auditor, international computer auditor or certified public accountant?	No	It is yet to be reviewed by the internal auditors.
	3.4	Does the Company announce the annual financial report within two months after the end of the fiscal year?	No	The plan is yet to be discussed.
	3.20	Has the company been invited (self-organized) to hold at least two corporate briefings, with an interval of at least three months between the first and last corporate briefings of the assessed year?	No	The plan is yet to be discussed.
IV. Implementing corporate social responsibility	4.1	Has the company established a dedicated (or concurrent) unit responsible for promoting sustainable development, which conducts risk assessments on environmental, social, or corporate governance (ESG) issues related to the company's operations based on the principle of materiality, formulates relevant risk management policies or strategies, and is supervised by the board of directors in its implementation of sustainability initiatives, with related information disclosed on the company's website and in the annual report?	No	The plan is yet to be discussed.
	4.2	Has the company established a dedicated (or concurrent) unit responsible for promoting ethical corporate management, which is in charge of formulating and supervising the implementation of integrity policies and prevention programs, and discloses the operation and implementation status of this unit on the company's website and in the annual report, with reports submitted to the board of directors at least once a year?	No	The plan is yet to be discussed.
	4.7	Has the company uploaded the English version of the sustainability report on the Market Observation Post System and the company website?	No	The Company has established an English website since 2023, but has not yet disclosed complete internal and external resources in English.
	4.22	Has the company allocated resources to support domestic cultural development, and disclosed the methods of support and related outcomes on its website, in the annual report, or in the sustainability report?	Yes	

## 2.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

### 1. Information on members of the Remuneration Committee

March 28, 2025

Title	Criteria	Professional qualifications and experience	Independence situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director  (Re-elected as convener on May 30, 2023, and served until stepping down on January 1, 2025.)	Yi-Min Lin	The Remuneration Committee of the Company consists of 3 independent directors in total. For the professional qualifications and experience of the members, please refer to "II(I), Information of Directors (1)" (pages 11) in this Annual Report. )	All Remuneration Committee members meet the following criteria: 1. Meeting the requirements defined in Article 14-6 of the Securities and Exchange Act and the "Regulations Governing the Establishment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter" (Note) issued by the Financial Supervisory Commission 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any FBT shares 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service"	None
Independent Director	Chia-Chi Kuo			1
Independent Director  (Assumed the role of convener starting from January 1, 2025.)	Cheng-Shong Hong			None

Note: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

- (1). Not an employee of the company or any of its affiliates.
- (2). Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (3). Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.

- (4). Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5). Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (6). If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (7). If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (8). Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.
- (9). Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

## 2. Attendance of Members at Remuneration Committee Meetings

(1). The Remuneration Committee comprises 3 members.

(2). Duration of service: from May 30, 2023, until May 29, 2026. The Remuneration Committee held 2 meetings (A) in 2024; details of members' attendance are as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	Yi-Min Lin	2	0	100%	5/30/2023 Re-elected as convener; r; stepped down from the role on 1/ 1/2025.
Committee Member	Chia-Chi Kuo	2	0	100%	5/30/2023 Re-election
Committee Member	Cheng-Shong Hong	2	0	100%	5/30/2023 Re-elected, and assumed the role of convener starting 1/1/2025.

Other information required:

1. In the event the Remuneration Committee's proposal is rejected or amended in a board of directors meeting, please describe the date and session of the meeting, details of the motion, the board's resolution, and how the Company handled the Remuneration Committee's opinions (describe the differences and reasons, if any, should the board of directors approve a solution that was more favorable than the one proposed by the Remuneration Committee):

Resolutions made by the Remuneration Committee in 2024 exhibited none of the above.

2. Should any committee member object or express reservations to the resolution made by the Remuneration Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the motion, the opinions of all members, and how their opinions were addressed:

Resolutions made by the Remuneration Committee in 2024 exhibited none of the above.

### 3. Progress

Remuneration Committee meeting date	Motion No	Motion details	Resolution	The Company's response to the Remuneration Committee's opinions	Board resolution
1st meeting February 27, 2024	Motion 1	Proposal for promotion of the company's corporate governance manager.	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment and reported during the shareholders' meeting.	No opinion expressed	According to the Company's internal regulations, the position of Corporate Governance Officer was promoted from Assistant Section Manager to Section Manager.
2st meeting December 18, 2024	Motion 1	Review of 2024 year-end bonus and special bonus payment.	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment.	No opinion expressed	Completed the issuance of internal documents on January 24, 2025.

Remuneration Committee meeting date	Motion 2	Motion details	Resolution	The Company's response to the Remuneration Committee's opinions	Board resolution
2st meeting December 18, 2024	Motion 2	Review of the allocation and payment of the 2024 director/supervisor/employee remuneration.	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment.	No opinion expressed	Passed as proposed without objection from attending members when inquired by the chair Employee remuneration: before January 24, 2025 Remuneration to directors: before March 31, 2025.
	Motion 3	Review of the projected allocation percentage for the 2025 director remuneration and employee remuneration.	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment.	No opinion expressed	Passed as proposed without objection from attending members when inquired by the chair. Effective on January 1, 2025 with the consent of the Board of Directors.
	Motion 4	Discussion on the amendment of the "Board of Directors Performance Evaluation Method" of our company.	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment	No opinion expressed	Passed as proposed without objection from attending members when inquired by the chair.
1st meeting February 24, 2025	Motion 1	Discussion on amendments to the Company's "Corporate Governance Code of Conduct."	Passed as proposed without objection from attending members when inquired by the chair; to be presented to the board of directors for acknowledgment	No opinion expressed	The proposal was presented to the shareholders for approval after being reviewed and unanimously approved by all attending directors at the request of the Chairman.

### 2.3.5 Sustainable development implementation status:

FBT conducts all business activities with sustainability and integrity in mind. The organization upholds “talent development, teamwork, customer satisfaction, and social engagement” as its foundational philosophy, and respects “customer satisfaction, service integrity, pro-active accountability, professional innovation, and inclusive growth” as its core values, for which it won the Sustainable Excellence Award from the Industrial Development Bureau in 2006. Following the recent adoption of a strategic roadmap and balanced scorecard combined with the introduction of environmental, safety, health, quality, personal data, and energy management systems as well as improvement campaigns such as TPM and TPS, the Company aims to raise the returns for shareholders, maximize the satisfaction of customers, bring precision into current processes, promote employees’ identification with core values, and share business success with society.

FBT has published CSR reports regularly in July to August each year between 2016 and 2021. Its 2022~2024 sustainability report has been validated to conform with AA1000 AS:2008/2018 Assurance Standard Type 1 and GRI G4 or GRI core requirements. Starting from 111, disclosure of SASB indicators for automotive parts was added, along with the publication of TCFD reports.

#### 1. Sustainable development policy

Being a member of the global automobile supply chain, FBT strives to “Serve the world with pride” and therefore engages in all business activities with sustainability and integrity in mind. By maintaining productive interaction with employees, shareholders, customers, suppliers, and the local community, the Company aims to share sustainability values with stakeholders continuously into the future.

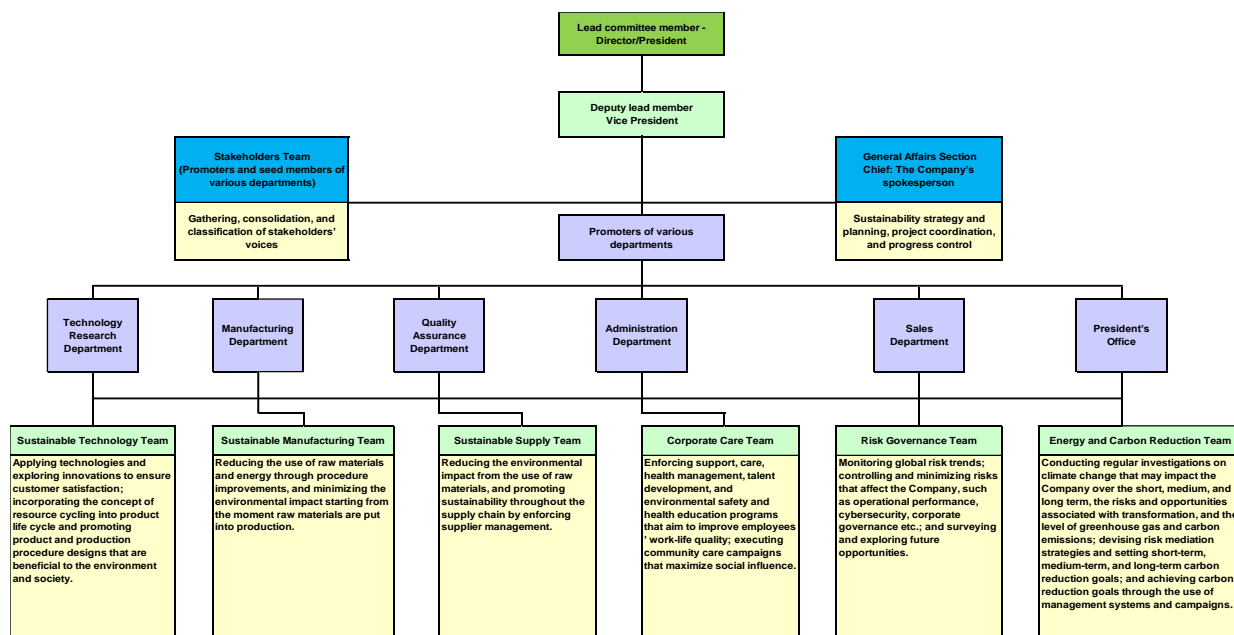
#### Implementation guidelines for sustainable development

In terms of corporate governance, the Company not only places great emphasis on sustainability, profit performance, and growth, but is also dedicated to optimizing production procedures and developing new products/technologies as means to increase customer satisfaction. This initiative is applied consistently throughout the supply chain, for we invite supply chain partners to observe the same regulations, discipline, and environmental protection standards as we do. With respect to environmental sustainability, we persistently promote energy and waste reduction and enforce greenhouse gas reduction among other environmental protection measures, thereby fulfilling our duty to planet Earth. As for social care, we direct significant attention to strengthening employment relations and unity, planning career roadmaps and suitable training programs, promoting workers’ health, ensuring the safety and health of the work environment, and engaging in various activities that give back to the society.

#### 2. Sustainable development management system

Driven by the vision and mission outlined in the “FBT Sustainable Development Policy,” the Company passed the decision to set up a “Corporate Social Responsibility Committee” (CSR Committee) in 2015 for more efficient execution of sustainability tasks. During the meeting held on November 11, 2015, the board of directors authorized and appointed Director/President Wu, Tsung-Ming to serve as lead member of the committee. The CSR Committee’s responsibility is to develop a CSR GRI system in line with the current organization and plans. On December 21, 2021, the board of directors passed a decision to change the name of the “CSR Committee” to

“Sustainability Committee,” as depicted in the organization chart on the following page. Meanwhile, to facilitate more effective management of sustainability efforts, the Administration Department (General Affairs Section) has been tasked with the duty of overseeing sustainable development policies, systems, and guidelines as well as the proposal and execution of action plans. Progress is reported to the board of directors within five months after the end of each year.



### 3. Stakeholder engagement

FBT listens to stakeholders’ voices and maintains relationships with them through the use of transparent, effective, and diverse communication channels. The Company welcomes different opinions with an open mind, and devotes significant attention to identifying stakeholders and gathering opinions from them in order to learn their needs and expectations, which provide reference for future decisions. It is our hope to carry out business activities in ways that align with stakeholders’ best interests. For the sake of business continuity, the Company pays ongoing attention to stakeholders’ voices and identifies any individual or organization as stakeholder if they have the potential to affect business operations by a significant extent. Each year, the Stakeholders Team (a team of comprising promoters and seed members from various departments) identifies potential stakeholders based on the five principles of AA1000 Stakeholder Engagement Standard—dependence, responsibility, influence, diverse perspectives, and tension—using specially designed questionnaires. For 2024, the team identified 6 main stakeholders: employees, customers/clients, suppliers/contractors, shareholders, NGOs, and government agencies.

Each year, the Stakeholders Team follows the GRI guidelines by: shortlisting CSR topics → surveying issues of concern using questionnaire on the stakeholders section of the corporate website → identifying material topics through impact analysis. The material topics identified are further reviewed and discussed with boundaries established to facilitate response. They represent areas where additional management attention is needed, for which relevant disclosures are made in the sustainability report. The 7 material issues identified in the questionnaire survey in 2024 were: operational

and financial performance, technology and innovation R&D, customer relationship management, procurement policy and supplier management, climate change and energy conservation and carbon reduction, workplace safety and health management, Employee benefits and compensation.

We have identified the material issues and boundaries in accordance with the GRI standards. A comparison chart for stakeholders' issues of concern and boundaries is presented on the next page, whereas relevant information and management guidelines are disclosed in the corresponding chapters of the 2024 sustainability report.

Core value	Material issue	GRI material topic/Self-defined material topic	Boundary			
			Within the organization (Direct impact)			Value chain
			Taiwan	Suzhou	Vietnam	
Service integrity	Operational and financial performance (profitability)	GRI 201 □ Economic Performance	●	●	●	● Shareholders (indirect impact), suppliers/contractors (commercial impact), group (indirect impact)
Professional innovation	Technology R&D	Self-defined material topic	●	●	●	● Customers/clients (commercial impact), shareholders (indirect impact), group (indirect impact)
Customer satisfaction	Customer relationship management	Self-defined material topic	●	●	●	● Customers/clients (commercial impact)
	Procurement policy and supplier management	GRI 204 Procurement practices GRI 308 Supplier environmental assessment GRI 414 Supplier Social Assessment	●	◎	◎	● Customers/customers (impact from business practices), suppliers/contractors (impact from business practices)
Pro-active accountability	Climate change and energy/carbon reduction	GRI 305 Emissions	●	◎	◎	● Government agencies (indirect impact), group (indirect impact), customers/clients (commercial impact)
Inclusive growth	Workplace safety and health management	GRI 403 □ Occupational Health and Safety	●	◎	◎	● Government agencies (indirect impact), group (indirect impact), suppliers/contractors (commercial impact), customers/clients (commercial impact)
	Employee welfare and compensation	401 □ Employment	●	◎	◎	● Government agencies (indirect impact), group (indirect impact)

Note: ● indicates material issue for the current disclosure; ◎ indicates less material issue that may be disclosed in the future.

The Company has diverse and systematic channels in place to communicate with



stakeholders, such as “Investors/Shareholders/Contact” sections and “Stakeholders/Contact” sections on the corporate website (which can be used by stakeholders to report conduct that is suspected to have violated ethical or integrity guidelines). The Company also surveys the level of stakeholders’ concern for various sustainability issues using questionnaires created in the “stakeholders” section of the corporate website.

[https://www.fineblanking.com.tw/ec99/rwd1280/category.asp?category\\_id=28](https://www.fineblanking.com.tw/ec99/rwd1280/category.asp?category_id=28)

Stakeholders who discover any suspected violations of ethics, integrity, environmental protection, or occupational health and safety incidents can report through the following channels:

External Complaint Unit: Wu, Pei-Jung, Department of Auditing

Address: No. 3, Gongba Road, Chuansing Industrial Park, Shengang Township, Changhua County

External Complaint Phone: 04-7990118 ext. 106

External Complaint Email: gmo12@fineblanking.com.tw

Internal Complaint Phone: 04-7990118 ext. 120

Internal Complaint Email: adm20@fineblanking.com.tw

Below are the channels used to communication with stakeholders in 2024:

Stakeholder	Communication channel and frequency	Issues of concern
Employees	<ul style="list-style-type: none"> <li>◆ Employee Welfare Committee meetings (irregularly)</li> <li>◆ Company announcements (irregularly)</li> <li>◆ Improvement proposal system (irregularly)</li> <li>◆ Labor-management meetings (quarterly)</li> <li>◆ Employee mailbox (permanent)</li> <li>◆ Occupational Safety and Health Committee meetings (quarterly)</li> <li>◆ Mental counseling for employees (monthly)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Employee welfare and compensation</li> <li>◆ Workplace safety and health management</li> <li>◆ Talent training and development</li> <li>◆ Operational and financial performance (profitability)</li> <li>◆ Talent recruitment and retention</li> <li>◆ Sustainable development strategy</li> </ul>
Customers/clients	<ul style="list-style-type: none"> <li>◆ Business meetings (irregularly)</li> <li>◆ Customer visits (irregularly)</li> <li>◆ Customer satisfaction surveys (yearly)</li> <li>◆ Customer complaint management system (irregularly)</li> <li>◆ Purchase of product liability insurance (yearly)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Customer relationship management</li> <li>◆ Operational and financial performance (profitability)</li> <li>◆ Technology R&amp;D</li> <li>◆ Procurement policy and supplier management</li> <li>◆ Environmental protection system</li> <li>◆ Climate change and energy/carbon reduction</li> <li>◆ Workplace safety and health management</li> <li>◆ Product labeling and product health and safety</li> </ul>

Stakeholder	Communication channel and frequency	Issues of concern
Suppliers/contractors	<ul style="list-style-type: none"> <li>◆ Supplier meetings (irregularly)</li> <li>◆ Contractor training (irregularly)</li> <li>◆ Supplier audits (yearly)</li> <li>◆ Supplier assessments (monthly)</li> <li>◆ Supplier questionnaires (yearly)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Procurement policy and supplier management</li> <li>◆ Operational and financial performance (profitability)</li> <li>◆ Environmental protection system</li> <li>◆ Workplace safety and health management</li> <li>◆ Customer relationship management</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>◆ Convention of shareholders' meetings (yearly)</li> <li>◆ Announcement of financial statements (quarterly)</li> <li>◆ Announcement of consolidated revenue (monthly)</li> <li>◆ Spokesperson and Investor Relations Department (irregularly)</li> <li>◆ Market Observation Post System (regularly and irregularly)</li> <li>◆ Company website (irregularly)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Operational and financial performance (profitability)</li> <li>◆ Technology R&amp;D</li> <li>◆ Sustainable development strategy</li> </ul>
Group	<ul style="list-style-type: none"> <li>◆ Convention of annual general meetings (yearly)</li> <li>◆ Convention of board meetings (quarterly)</li> <li>◆ Market Observation Post System (regularly and irregularly)</li> <li>◆ Company website (irregularly)</li> <li>◆ Group activities (yearly/quarterly)</li> <li>◆ Financial information (monthly)</li> <li>◆ Operational review meetings (monthly)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Operational and financial performance (profitability)</li> <li>◆ Technology R&amp;D</li> <li>◆ Workplace safety and health management</li> <li>◆ Employee welfare and compensation</li> <li>◆ Sustainable development strategy</li> <li>◆ Climate change and energy/carbon reduction</li> </ul>
Government agencies	<ul style="list-style-type: none"> <li>◆ Correspondence and e-mail (irregularly)</li> <li>◆ Seminars and public meetings organized by government agencies (irregularly)</li> <li>◆ Government announcements (irregularly)</li> <li>◆ Energy consumption management (yearly)</li> <li>◆ Water recycling and reuse (irregularly)</li> <li>◆ Market Observation Post System (regularly and irregularly)</li> <li>◆ Environmental compliance audits and mandatory filings (regularly)</li> </ul>	<ul style="list-style-type: none"> <li>◆ Environmental protection system</li> <li>◆ Workplace safety and health management</li> <li>◆ Employee welfare and compensation</li> <li>◆ Climate change and energy/carbon reduction</li> <li>◆ Cybersecurity management</li> <li>◆ Greenhouse gas emission and management</li> </ul>

Awards and certifications in 2024.

Category	Organizer/certifier	Award/certification
Sustainable development	Taiwan Institute for Sustainable Energy	17th Corporate Sustainability Report Awards - Conventional Manufacturing - “Bronze Award”
	BSI Taiwan Branch	Won the BSI Sustainability Resilience Pilot Award in 2024.
	BSI Taiwan Branch	The 2023 ESG report was validated to conform with AA1000 AS:2018 Assurance Standard Type 1 and GRI core requirements
	Ministry of Labor Occupational Safety and Health Administration	In 113, companies that excelled in voluntarily comparing occupational health and safety indicators in their sustainability reports were recognized.
Economy and corporate governance	Organizer: Taipei Exchange Execution unit: Securities and Futures Institute	The results of the corporate governance evaluation are as follows: For the first to ninth and eleventh sessions, the company was ranked among the 6% to 20% of companies in the over-the-counter group. For the tenth session, the company was ranked among the 21% to 35% of companies in the over-the-counter group.
	Chinese Total Productivity Management Association	The Company participated in the 37th Taiwan Continuous Improvement Award - Self-improvement Category, and won the Gold Tower Award in 2024
Environment, occupational safety, and health management	BSI Taiwan Branch	In 2019, the Company passed certification for transition to CNS 45001:2018 and ISO 45001:2018; these certifications were maintained in 2024
	BSI Taiwan Branch	In 2019, the Company passed certification for the revised version of ISO 50001:2018; this certification was maintained in 2024
	BSI Taiwan Branch	The 2023 greenhouse gas survey passed validation for ISO 14064-1 in 2024
	BSI Taiwan Branch	2023 Climate-related Financial Disclosure (TCFD) Level-5: Excellent; verified in 2024
Social	Chuanghua County Government	Won the “One Tier Award” for employing persons with disabilities above the statutory quota in 2024
	Chuanghua County Government	he Changhua County Goodwill Breastfeeding Room was certified in 2024 (from 2023 to 2026)
	Occupational Safety and Health Administration	Won the core enterprise award of "FBT Safety and Health Family" in Changhua County in 2023
	Health Promotion Administration, Ministry of Health and Welfare	In 2024, the Company applied for and was awarded the “Badge of Accredited Healthy Workplace” by the Health Promotion Administration, Ministry of Health and Welfare (the certificate has a validity period of 3 years, starting from January 1, 2016, and ending on December 31, 2027)

4. Management systems for the environment, occupational safety and health, energy management, and greenhouse gas survey

- (1) The Company passed certification for ISO 14001 Environmental Management System in 2001, and subsequently passed certification for the transition to ISO 14001:2015 in May 2018. The Chinese subsidiary, too, passed certification for ISO 14001 in 2009 and later passed certification for the transition to ISO14001:2015 in June 2017. The

Company also won the 7th Industry Elite Award in 2006, passed certifications for OHSAS 18001:2007 and the Taiwanese version of TOSHMS 2007 in 2009, completed certification for the transition to ISO 45001 in May 2019.

- (2) In addition to having a promotion committee for various management systems (ISO 9001, IATF 16949, ISO 14001, ISO 45001, ISO 50001, etc.), the Company has also set up a Risk Management Committee that is responsible for gathering issues inside and outside the organization and issues that concern workers and stakeholders both regularly and whenever the organization undergoes change. By assessing risks and opportunities, the committee is able to identify material issues and devise response measures to be compiled into an Environmental Issues, Risks, and Opportunities Strategy Report. Goals and solutions can then be implemented, and the implementation progress is reported to the management during monthly management meetings. Management efforts for environmental issues, risks, and opportunities associated with the management systems mentioned above cover existing as well as potential risks and opportunities from climate change. Measures are being taken in response to climate issues.

- (3) Through execution of the improvement proposal initiative, the Company implemented many solutions aimed at reducing energy and waste. For example: scrap metal is recycled from larger pieces of stamped products to produce smaller stamped parts; all spot welding machines, thermal treatment equipment, chillers, and ultrasonic cleaners used in production and all air conditioners installed at office locations make use of recycled water, and the wastewater recycling and reuse processes put in place have effectively improved the quality of water bodies in the local environment; devices and pipelines have been installed at the grinding work section to recycle cutting fluid, which is fed directly to grinding equipment after filtering out scrap metal; clean wastewater is recycled and reused while the use of common materials and molds is adopted to minimize slow-moving materials; improvements have been made to fixtures for high-frequency cooling; efficiency enhancements have been made to the reuse of waste materials and energy consumption; and the two-time sandblasting process has been changed to one-time sandblasting. In each of the last 5 years (2019-2024), the Company was able to generate benefits, totaling NT\$8.73 million, NT\$8.33 million, NT\$8.03 million, NT\$7.23 million, NT\$11.09 million, and NT\$8.08 million, respectively, from energy and waste reduction improvements.

- (4) Reuse of water resources

Despite having abundant rainfall, Taiwan has long been prone to water shortage due to its high population density and geographic limitations such as small land area, steep hills, short rivers, and uneven water distribution that cause most of the rainwater to run off directly into the ocean. According to an analysis by the World Resources Institute, the Company is located in a water stress area and has been assigned an overall water risk rating of 3-4, indicating high water risk. In Taiwan, the Company draws all water for production activities from the local water supply, and given the substantial volume of water needed for the electroplating and coating processes, water resources present a significant issue to the Company's operations. This is why the Company treasures water resources and devotes persistent attention to saving water in every way possible. For example: all spot welding machines, thermal treatment equipment, chillers, and ultrasonic cleaners used in production and all air conditioners installed at office locations make use of recycled water, and the wastewater recycling and reuse processes put in place have effectively improved the quality of water bodies in the local environment; devices and pipelines have been installed at the grinding work

section to recycle cutting fluid, which is fed directly to grinding equipment after filtering out scrap metal; and clean wastewater is recycled and reused. With regards to the recycling and reuse of clean wastewater (see the water purification flowchart for electroplating and coating processes).

Year	recycled water (million liters)	Total water intake (million liters)	OPERATING REVENUE (NT\$ million)	Water intensity (Total water intake thousand liters/ revenue million)	In 2024, compared to 2023, the amount of recycled water increased by 20.266 million liters, while the target water intensity was reduced by 1%, but the actual reduction was 13.71%.
2024	13.663	109.588	1,213.6	90.30	
2023	19.928	129.854	1,240.8	104.65	
2022	21.487	180.258	1,497.7	120.35	

(5) Prevention of air and water pollution

Both the 1st Plant and the 3rd Plant are equipped with air pollution and water pollution control equipment; all emissions and discharge have complied with regulatory requirements.

Both the 1st Plant and the 3rd Plant have access to wastewater treatment facilities and have dedicated management personnel assigned to oversee related tasks; both plants test wastewater quality on a regular basis to ensure that wastewater is discharged only if it meets the intake standards of Chuansing Industrial Park's water treatment facilities. The 2nd Plant is not a factory of concern in terms of wastewater management, and therefore discharges wastewater directly into Chuansing Industrial Park's wastewater treatment facilities.

Both the 1st Plant and the 3rd Plant have installed mechanical ventilation and dust-collecting devices at areas where sandblasting, welding, electroplating, and coating processes are performed. The 1st Plant had 2 scrubbers added to the galvanization line to remove acid exhaust and volatile organic gas generated from the electroplating process. The 3rd Plant uses a water curtain system to capture paint particulates and scrubbers to remove acid exhaust from the coating process, thereby achieving air pollution control. The Company submitted an application for Work Environment Improvement Subsidies for Surface Treatment Businesses in 2019 and was granted subsidies totaling NT\$120,960 in December 2019 to improve the cleanliness, comfort, brightness, and safety of the work environment.

Our company's safety management office commissions qualified testing institutions to conduct inspections on various control items at least once a year. In 2024, outsourced testing was conducted. All test results were below regulatory standards, and the chemical classification management was rated as Level 1 (Compliant).

(6) Waste management

The Company controls industrial waste in accordance with relevant regulations and observes the requirements of the industrial waste reporting and management system by reporting the volume of waste produced, stored, and cleared at the 1st and 3rd Plants on a monthly basis. The Company continued enforcing plans to reduce waste from living activities throughout 2024, and designed waste-sorting labels in Chinese, Thai, and Vietnamese. All departments and the Safety Management Office are required to inspect waste sorting on a weekly basis. The frequency of waste clearing by external service providers has been reduced from twice a week to once a week. Sludge dryers have been introduced in March 2019 to significantly reduce the water content and weight of hazardous waste.

Industrial Waste Statistical Table

Year	A Hazardous commercial waste (tonnes)	D Non- hazardous commercial waste (tonnes)	Gross weight of waste (A+D)	OPERATING REVENUE (NT\$ million)	Waste intensity (total waste weight_tons/ revenue_million)	Waste intensity in 2024 increased by 24.58% compared to 2023.
2024	39.31	139.653	178.963	1,213.6	0.147	
2023	37.57	109.503	147.073	1,240.8	0.118	
2022	37.47	140.357	177.827	1,497.7	0.118	

Note: Please refer to the Waste Management section of the Sustainability Report for categories, names, production weights, and disposal methods of industrial waste.

All industrial waste produced by the Company is handed over to EPA-approved service providers for proper disposal, and no hazardous waste is shipped overseas.

In 2024, due to the lack of recycling value of grinding metal chips, they were classified as waste, resulting in an increase in inorganic sludge.

The Company has developed “Standard Procedures for Resource Recycling” to serve as guidance for recycling practices. These procedures provide instructions on how waste can be turned into resources not only for financial gains, but for environmental improvements and compliance as well.

Year	Resource recovery (tonnes)	OPERATING REVENUE (NT\$ million)	Resource recycling intensity (resource recycling/revenue)	The decrease of 224.956 tonnes in 2024 compared to 2023 was mainly due to the decrease in scrap iron offcuts.
2024	2,205.712	1,240.8	1.778	
2023	2,205.712	1,240.8	1.778	
2022	3,032.661	1,497.7	2.024	

Note: Please refer to the Waste Management section of the Sustainability Report for recycling categories, resource utilization percentages, and the uses of recycled resources.

#### (7) Management of chemicals

The Company has developed its own “Toxic Substance Management Policy” in accordance with relevant regulations of the Environmental Protection Administration to facilitate the proper management of toxic substances. All toxic substances are placed inside locked storage; places where substances are used are clearly labeled and equipped with safety data sheets, emergency response supplies, personal protection gears, and sprinklers. Online regulatory reports are made using the Toxic Chemical Substance Reporting System on a monthly basis.

The Company has developed its own “Hazardous Substance Management Policy” in accordance with the Ministry of Labor’s “Regulations for the Labeling and Hazard Communication of Hazardous Chemicals” to serve as guidance for the management of chemicals. In addition to creating a comprehensive list and database of hazardous chemicals held in possession, the Company also makes online regulatory reports over Permit and Report of Chemicals (PProChem) according to the “Regulations for Governing Designating and Handling of Priority Management Chemicals,” “Regulations Governing Designation and Handling Permission of Controlled Chemicals,” and “Chemical Control Banding (CCB) Manual.”

The following measures have been taken to reduce the environmental impact of the Company’s products and services:

Cleaning naphtha that contains n-hexane is being replaced with alternatives that contain n-heptane, thereby reducing water body hazard from level 1 to level 2 (slower toxicity). Ethanol was used instead of methanol as the solvent for cleaning signboards, eliminating the hazards of reproductive toxicants and specific target organ toxicants.

(8) Ambient noise

The Company has implemented a “Noise Management Policy” based on the Environmental Protection Administration’s “Noise Control Act,” and engages external service providers to measure ambient noise on a yearly basis. All measured results have conformed with standards.

(9) Environmental protection spending

The environmental expenditure of our company in the fiscal year 113 amounted to approximately 9,437 million NT dollars, as detailed in section four, Environmental Expenditure Information, on page 133

(10) The Company has an occupational safety and health management plan that outlines regular environment and workplace testing requirements, a self-protection system, an accountable care system, contractor management practices, toxic substance management practices, transport safety management practices, as well as holding emergency response drills on a regular basis. By adopting the PDCA cycle, the Company makes ongoing improvements to meet regulatory requirements and customers’ requests. Through the use of the environmental assessment and hazard identification systems, the Company adjusts environmental safety and health goals, indicators, and solutions and makes continuous improvements each year. An extensive range of hazard prevention measures has been implemented with the goal of achieving zero work injuries.

(11) The Company has maintained certification for TOSHMS (CNS15506) and OHSAS 18001 on occupational and health management systems since 2009 and obtained “Occupational Safety and Health Management System Performance Accreditation” from the Ministry of Labor. Through the implementation of TPM and a dedicated environmental safety sub-section, a panel of representatives comprising employees from different departments has been set up to conduct unscheduled inspections on environmental safety and health, issue reminders on unsafe practices, investigate close calls, and organize monthly safety and health promotion events on a department-by-department basis. In doing so, the Company hopes to raise employees’ self-awareness toward safe practice. Following the introduction of TPS in 2011, the Company has been making persistent improvements to the production procedures by adopting more streamlined, automated, and efficient processes that aim to reduce employees’ movements and fatigue. Since 2017, the Company has been engaging external TPM consultants with more than 30 years of experience to assist in the implementation of improvement plans. Overall, the Company is able to optimize the production environment through the automation of equipment and processes and the enforcement of TPS.

(12) For more details on employee health protection, workplace health promotion, health management programs, and health and safety education, please see the workplace health and safety section on pages 133 to 142.

5. The Company obtained ISO 50001:2011 Energy Management System certification in 2015 and completed the transition to the ISO 50001:2018 version in August 2019. Since 2021, the Company has prepared the “Task Force on Climate-related Financial Disclosures (TCFD) Report” annually, which is submitted to the Board of Directors and has been verified by BSI as Level 5: Excellence. The updated “FINE BLANKING & TOOL CO., LTD. Machinery 2024 TCFD Report” is pending submission to the Board of Directors for review and subsequent verification. In addition, the Company implemented the ISO 14064-1 Greenhouse Gas (GHG) Inventory System in 2015. GHG inventory reports from 2015 to 2023 have been verified by BSI, and the 2024 GHG report is currently undergoing verification. and the inventory reports from 2015 to 2023 were verified by BSI (the 2024 greenhouse gas report is currently under verification). Although the Company has not been identified by the authority as a subject for greenhouse gas monitoring, it does use a substantial amount of energy through the 1st Plant and the 3rd Plant, while indirect greenhouse gas emissions (Scope 1 and Scope 2) from purchased electricity make up nearly 80% of the total emissions. The Company first introduced ISO 50001 Energy Management System in 2015, at which time an Energy Committee was set up to carry out energy management action plans. The committee has set the target to reduce energy consumption by at least 1% a year. Meanwhile, greenhouse gas emissions are being surveyed in conjunction with the enforcement of the ISO 50001 energy project, and actions are being taken to reduce indirect greenhouse gas emissions as a way to mitigate climate change risk.

Many countries are exploring the possibility of introducing a carbon tax or energy tax, while the prices of raw materials and energy used in production are increasing progressively year after year. These factors will ultimately raise production costs over time. The Company will continue monitoring changes in local and foreign regulations and prepare ahead of time in anticipation for changes in order to minimize financial costs.

(1) Climate-Related Information Execution Status:

On December 21st, 110, the board of directors approved the establishment of a climate change governance organization, the "TCFD Implementation Committee," under the "Sustainability Committee," to utilize the TCFD framework to develop the company's climate risk identification process. Through discussions among committee members and seed members, a total of 6 opportunities and 11 risks were identified. Subsequently, strategies for addressing risks/opportunities, climate change risk management, indicators, and goals were compiled into the "Hsin Chong Precision Machinery Climate-Related Financial Disclosure Report," submitted to the board of directors, and verified. The progress towards TCFD goals will be incorporated into the implementation effectiveness report of the annual sustainability report, submitted to the board of directors in May each year.



## Implementation Status of Climate-Related Information

Item	Project	Execution situation
1	Describe board and management oversight and governance of climate-related risks and opportunities.	<p><b>Governance</b>  <b>■</b> The Sustainability Committee is composed of senior executives from various departments within the company, including members of the implementation committee and seed members. They have set goals to reduce carbon emissions intensity by 20% compared to the baseline year of 2021 by 2030, and by 50% by 2050.</p> <p>Note: The Sustainability Committee is the highest-level organization responsible for climate change management within the company. Authorized by the board of directors, Mr. Wu Zongming, a director of the company and concurrently the general manager, serves as the Chairman of the Implementation Organization. He regularly reports the performance of sustainability management to the board of directors. Under the Sustainability Committee, there is the Energy Saving and Carbon Reduction Team_TCFD Implementation Committee, which is the organization responsible for executing and managing actions related to climate change risks and opportunities.</p>
2	Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term).	
3	Describe the financial impact of extreme climate events and transition actions.	
4	Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	<p><b>■</b> The TCFD Implementation Committee's Carbon Emission Reduction Subgroup proposes detailed action plans and strategies. Key implementation focuses in 2024 include process improvements, task force enhancements, and ISO 50001 Energy Management System implementation. Monthly reviews of energy conservation and waste reduction progress are conducted, along with future planning.</p> <p><b>Strategy</b>  <b>■</b> In 2024, reassess climate scenario simulations to identify short-, medium-, and long-term climate risks and opportunities, as well as potential operational and financial impacts for the company.</p> <p><b>Risk Management:</b>  <b>■</b> In 2024, reconstruct the climate risk identification process using the TCFD framework, establish a climate change risk and opportunity matrix, and set up processes for implementing relevant response plans.  <b>※</b> Please refer to the Climate Change chapter in the Sustainability Report.</p>
5	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 described.	
6	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 transition risks.	
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	<p>To drive low-carbon investment, enhance energy efficiency, and strengthen internal decarbonization efforts, in 2025, the company trialed internal carbon pricing at its Taiwan operations, setting a carbon price of NT\$300 per ton. The shadow price method was adopted as a reference for capital investment strategies and major decision-making. Monthly carbon intensity targets were set and reported at senior management meetings to ensure the implementation of specific decarbonization actions.</p>
8	If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECS) are used to achieve relevant goals, the information should be explained. The source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECS).	<p><b>Metrics and Goals</b>  <b>■</b> In 2024, a review will be conducted to redefine and set climate change-related management indicators, assessing the degree of goal achievement and performance.  <b>※</b> Please refer to the Climate Change and Greenhouse Gas Management chapters in the Sustainability Report.</p>

Item	Project	Execution situation
9	Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans	Please refer to pages 68 to 69 for the explanation on greenhouse gas emission inventory management execution under section (4) Greenhouse Gas Emission Inventory Explanation. ※Please refer to the <u>Climate Change</u> and <u>Greenhouse Gas Management</u> chapters in the Sustainability Report.

(2) Greenhouse gas emissions survey

Being a member of planet Earth, the Company recognizes its corporate duty to protect the environment, and is committed to reducing the environmental and climate impact of global warming caused by greenhouse gas emissions. The Taiwan office, in particular, set up a “Greenhouse Gas Survey System Committee” in 2015 to survey greenhouse gas emissions on a yearly basis. In addition to obtaining greenhouse gas assurance for 2015-2023, In response to the new standards on significant indirect greenhouse gas emissions introduced under the revised version of ISO 14064-1:2018, the Company amended relevant rules and conducted a complete inspection of its machinery, equipment, and cooling systems. For conformity with the IPCC 6th Assessment Report (2021), the base year for greenhouse gas reduction was reset to 2021. In 2025, the Taiwan branch of BSI was commissioned to perform the verification of total greenhouse gas emissions in 2024. (using the 2021 emission coefficient of electricity published by the Bureau of Energy). The annual report was under verification as of the date of publication.

Emissions volume of operational sites in Taiwan for 2021 and 2024:

ISO 14064-1:2006		ISO 14064-1:2018				Remarks
Category	Type/Year	2021	2022	2023	2024	
Scope 1 Direct Greenhouse Gas Emissions	Category 1 Direct greenhouse gas emissions and removals	1,076.719	993.239	814.512	807.398	Burning of natural gas, diesel, etc.
Scope 2 Indirect EnergyRelated Greenhouse Gas Emissions	Category 2 Indirect greenhouse gas emissions from energy inputs	5,685.080	5,637.342	4,142.986	3,614.834	Purchased electricity
Scope 3 Other Indirect Greenhouse Gas Emissions	Category 3 Indirect greenhouse gas emissions from	555.292	491.500	131.027	162.638	Transportation of steel coils
	Category 4 Indirect greenhouse gas emissions from use of organization's products	14,373.294	13,220.071	9,284.957	8,117.792	Upstream products - steel coils Upstream electricity Upstream natural gas Upstream diesel Upstream gasoline
	Category 5 Indirect greenhouse gas emissions associated with use of organization's products	Not inventoried	Not inventoried	Not inventoried	Not inventoried	
	Category 6 Other Indirect Greenhouse Gas Emissions from Other Sources	Not inventoried	Not inventoried	Not inventoried	Not inventoried	
Total Greenhouse Gas Emissions from Scope 1 + Scope 2		6,761.799	6,630.581	4,957.498	4,422.232	
Total Greenhouse Gas Emissions from Scope 3		14,928.586	13,711.571	9,415.984	8,280.430	
Revenue (in millions of NTD)		1,457.6	1,497.7	1,240.8	1,213.6	
Scope 1 + Scope 2 Greenhouse Gas Emission Intensity (tonnes of		4.64	4.43	4.00	3.64	
The Scope 1 + Scope 2 greenhouse gas emission intensity for 2024 was 3.64 (kg CO2e / revenue in thousand NTD), a decrease of 21.55% compared to the baseline year of						

1. Verification Information Explanation for the years 2021, 2022 and 2023 has been verified by the company.

Verification Scope: Taiwan operational site of Ta Hsing Precision Machinery Co., Ltd.

Verification Body: BSI (British Standards Institution) Taiwan Branch.

Verification Standard: ISO 14064-1:2018 standard.

Verification Result: The verification of direct and indirect energy-related emissions (ISO 14064-1:2018 Category 1 and Category 2) has a reasonable assurance level. Other indirect greenhouse gas emissions were verified with a limited assurance level.

Verification Opinion: The results of the BSI greenhouse gas inventory report are unqualified, fully complying with the relevant standards, and the greenhouse gas information has been properly and accurately disclosed.

2. Verification for 2024 is scheduled to take place in May. The inventory information is shown in table below.

Profile of the Company			According to the Roadmap for Sustainable Development for Listed	
<input type="checkbox"/> Companies with a capital amount of NT\$10			<input checked="" type="checkbox"/> Individual inventory of the parent company <input type="checkbox"/> Consolidated financial	
<input type="checkbox"/> Companies with a capital amount of NT\$5			<input type="checkbox"/> Assurance of the parent company-only individual <input type="checkbox"/> Assurance of the consolidated financial statements of the subsidiaries	
<input checked="" type="checkbox"/> Companies with a capital amount of less than NT\$5 billion				
Scope 1	Total emissions (tonnes CO2e)	Intensity (tonnes CO2e/NT\$ million)	Authenticating institution	Statement of conviction
Parent company (Taiwan branch)	807.398	0.665	BSI Taiwan Branch	Inventory of greenhouse gas emissions in 2024 by Taiwan operations. ISO 14064-1 is scheduled to be conducted in May: Conducted verification in 2018. The verification statement is expected to be obtained in July .
Subsidiary (Mainland China)	No inventory yet	NA		
Subsidiary (Operating Base in Vietnam)	No inventory yet	NA		
Total	807.398	0.665		
Scope 2	Total emissions (tonnes CO2e)	Intensity (tonnes CO2e/NT\$ million)	Authenticating institution	Statement of conviction
Parent company (Taiwan branch)	3,614.834	2.979	BSI Taiwan Branch	Inventory of greenhouse gas emissions in 2024 by Taiwan operations. ISO 14064-1 is scheduled to be conducted in May: Conducted verification in 2018. The verification statement is expected to be obtained in July .
Subsidiary (Mainland China)	No inventory yet	NA		
Subsidiary (Operating Base in Vietnam)	No inventory yet	NA		
Total	3,614.834	2.979		
Scope 3 (Taiwan operations)	8117.792(tons CO2e) (ISO 14064-1 scheduled in May) 2018 verification)			

Considering that electricity is the primary form of energy consumed, the Company has devised a greenhouse gas reduction plan along with energy and carbon reduction measures in line with ISO 50001 Energy Management System. Since 2016, the Company has been working with the Industrial Technology Research Institute to introduce a power management system that enables more precise energy monitoring to support the organization's energy and carbon reduction efforts.

### (3). Energy and resource management

The types of energy used by the Company in 2024 included electricity, natural gas, gasoline, and diesel. Electricity was the primary form of energy consumed, representing 69.7% of all energy used, while other energy sources accounted for 30.3%.

Through the assessment of environmental issues and the management of risks and opportunities organized by ISO 50001, the Company aims to reduce the environmental and climate impact caused by greenhouse gas emissions. Since January 2015, the Company has implemented an energy management system with a goal of achieving an annual energy saving of at least 1%. In 2024, a total investment of 26,967 thousand NT dollars was made in energy conservation, implementing 8 energy-saving projects. This resulted in a total energy saving of 2,413,228 gigajoules and a reduction of 317.74 metric tons of CO2e emissions. Additionally, energy cost savings amounted to 3.69 million NT dollars. The average annual electricity savings rate from 2015 to 2024 reached 2.295%.

Serial	Scheme name	Improvement instructions	Energy saving oriented	Annual electricity saving
1	Improvement of energy consumption of punch presses	Press energy control, maintenance and improvement reporting	energy management	-
2	Ice water machine consumes less energy	Replacement and optimization of ice water host system	Efficiency improvement	128,388 degree
3	Improvement of energy consumption of electroplating host	Personnel, process, and working hours allocation methods, Installation of variable frequency drives (VFDs) on motors.	energy management	32,094 degree
4	Air compressor energy consumption reduced	Replacement of old air compressors and improvement of air leakage reports	efficiency improvement	244,824 degree
5	Air compressor energy consumption reduced	Energy control, maintenance and air leakage Improve reporting	efficiency improvement	42,840 degree
6	Air compressor energy consumption reduced	Replacement of old air compressors and improvement of air leakage reports	efficiency improvement	216,096 degree
7	Improvement of energy consumption in ED coating process	Personnel, process, working hours allocation method, TPM maintenance plan and improvement report	energy management	-
8	Improvement of energy consumption in high frequency heat treatment	"Standardization Establishment and Educational Training for High-Frequency Heat Treatment Energy Management	energy management	6,099 degree
Total				670,341degree

In 2024, the energy intensity decreased by 6.78% compared to 2023. Moving forward, the company will continue to promote full employee participation to achieve ISO 50001:2018 certification through BSI verification audits.

Considering that electricity is the primary form of energy consumed, the Company purchased 240,000 kWh of green power from Taiwan Power Company in 2016 and 2017 in support of the government's renewable energy policy and to lessen the environmental burdens of business operations. In 2019, the Company cooperated with World Harmony Co., Ltd. to install solar power generators on the rooftop of the leased plant; the solar power generators commenced operation in December 2019, generating a total energy of 13,032,594 kWh between December 2019 and December 2024, which reduced emissions by 6,489.462 metric tons of CO<sub>2</sub>e. At FBT, we support the nation's renewable energy policy through action.

#### 6. Human resources

The Company views employees as its most important assets and is committed to creating a harmonious and safe work environment. For more detailed disclosures on human resources management, please see section 5. Labor relations on pages 133 to 142.

#### 7. Social engagement

(1) Below are the actual results that the Company has achieved in regards to creating jobs and increasing the national income:

FBT has been actively recruiting talent in recent years, and currently employs 362 people in Taiwan, 557 in Vietnam, and 49 in China. The Company creates job opportunities by hiring locally where possible; more than 90% of plant workers are from the local vicinity.

(2) Following a sustained period of business growth and increased profitability, the Company is outsourcing some of its internal processes and components to more than 100 businesses in nearby towns with the hope of creating even more jobs.

(3) With regards to industry-academia collaboration: FBT engages National Yunlin University of Science & Technology, National Chin-Yi University of Technology, Da-Yeh University, and Chienkuo Technology University in a number of industry-academia collaboration programs that aim to train talent for the benefit of the local community. Its collaboration with National Shiou Shuei Senior Industrial High School began in 2003, and the internship program has since catered to 130 individuals, 16 of whom are still employed to date Cooperative internships with universities: 6 students currently.

The Company currently has one intern from industry-academia collaboration with tertiary institutions; 3 former interns have been promoted to section chief, and 3 former interns have been promoted to engineer to date. In the future, FBT will continue its internship collaboration with the education sector, and give students the educational and practical opportunities they need to put knowledge into practice, and become better adapted and skilled for the challenges ahead. This transfer of knowledge and development of future talent is one of the ways FBT has chosen to give back to society.

- (4) In 2024, as part of our commitment to giving back to society, our company continued to participate in the rural remote health promotion program. We collaborated with the Digital Humanitarian Association to designate the Xide Community Development Association in Shengang Township, Changhua County. Through the introduction of digital applications, we enabled the elderly to stay active and healthy in familiar environments. This initiative facilitated aging in place by providing remote teaching and health consultation services, offering the elderly a wealth of health promotion activities and silver hair health information. By enhancing the elderly's self-awareness and knowledge of health, we aimed to reduce the incidence of acute events among them. The Social Return on Investment (SROI) was calculated at 4.5 (SROI value = Impact/Investment = 699,980 yuan/155,640 yuan, citing the Digital Humanitarian Association's 2024 annual closing report), indicating the positive effects of the project. We plan to continue promoting this program in 2025.

The Company made pro-active plans to care for the local community and has donated persistently to local charity events as well as charity organizations. Participated in the remote health promotion public welfare project in remote villages, cooperated with the Digital Humane Association, and designated the Xidi Community Development Association, Shengang Township, Changhua County, to implement long-distance health promotion measures for the elderly, with good results. Between In terms of community care, we have been donating to the Lunar New Year Meal program by Huashan Social Welfare Foundation and to the Taiwan Fund for Children and Families Changhua Branch. Starting in 2013, we have sponsored Chuansing Industrial Park in the regular grooming and maintenance of roadside trees, participated in simulations and drills of the local defense alliance, and attended regular meetings of the Central Taiwan Toxic Chemicals Defense Organization. We shall continue taking part in community events in line with our philosophy of giving back to society, and strive to strengthen our corporate image.

- (5) In 2024, the Company made monetary donations to National Kaohsiung Normal University, Changhua Tzu Ai Foundation, Taiwan Fund for Children and Families Changhua Branch, World Vision Taiwan, Huashan Social Welfare Foundation Shengang Branch, and YMCA Charity Convert, and co-arranged a blood donation event with Chuansing Industrial Park Association, which gathered 59 250CC bags of blood from 41 donors. In the future, the Company will take part in charity events and contribute to the community in ways that conform with its philosophy of giving back to society.

#### 8. Service to customers

Being a Tier 1/Tier 2/Tier 3 supplier of the automobile supply chain, the Company works with customers to develop new products, and has been awarded Outstanding Supplier by prominent customers including AUTOLIV (the world's largest seat belt manufacturer), HONDA, KYMCO, Sanyang and YAMAHA.

##### (1) Customer relations

Customer trust has always been one of the Company's core values. This trust with customers has been one of the main reasons why many customers choose to have the

Company make their products. In response to the increasing need for customer data protection, the Company set up a personal data protection team in May 2014 and established a personal data protection policy that requires employees to take count, evaluate risks, and conduct internal audits on all personal data held in possession on a yearly basis. Upon receiving any complaint relating to personal data, whether from customers or data owners, the head of the accountable department will be required to complete a “Personal Data Incident Reporting and Resolution Form” and the personal data protection team will carry out follow-up evaluation and investigation. Once a case is closed, the form will be forwarded to the management representative for sign-off and presented during the next management review meeting. All customer complaints and all personal data provided by customers are subject to the protections described above. The Company places great emphasis on the protection of personal data, and encountered no leaks of personal data or breaches of privacy in 2024 that gave rise to complaints.

(2) Customer service

To provide customers with the best service, FBT has been actively promoting the development of a patented high-value component in 2020. The intelligent disc design is aimed at promoting customer convenience. It mainly combines customers' individual disc brake pads and timing discs. Through molding and production techniques, the components are presented in an intelligent (A+B) disc format. This technology significantly reduces customer assembly time and labor costs.

FBT has promoted the intelligent disc at its operational sites in Taiwan and Vietnam, with phased launches from May 2022 to July 2023. Upholding a customer-centric philosophy, the Company has established and implemented standard operating procedures for customer service.

The Company continuously monitors customer market trends and demand, tracks order frequency, and provides timely reminders regarding order needs and quantity changes. Notably, in 2024, many customers placed precautionary orders in response to the impacts of inflation, political factors, and raw material demand fluctuations in 2023. To prevent excess raw material inventory caused by such precautionary orders, FBT prepares materials based on customer forecasts and adopts a quarterly procurement strategy. The Company also provides real-time feedback on material inventory status and flexibly adjusts based on customer needs.

Furthermore, FBT has consistently prioritized customer satisfaction. As a result, the issue of raw material stagnation caused by precautionary orders in 2023 was significantly reduced in 2024, successfully meeting customer demands while minimizing the risk of overstocked finished products and raw materials. Internally, the Company has optimized its production line changeover mechanisms to better accommodate customer scheduling requirements. Additionally, the Company has set an order response rate target of 100% within 48 hours to ensure timely fulfillment of customer orders.

(3) Products and services

FBT has always envisioned itself becoming customers' trusted business partner. FBT has developed an AI-assisted mold creation system that aims to shorten the time to mass production, thereby delivering the best service to customers. This system analyzes molds previously developed for customers and applies AI algorithms to generate a multitude of combinations that customers can use as reference during the initial design and development stage. The system also allows ideas to be exchanged during the design stage, which helps save molding expenses and shortens the

development timeframe afterwards. With this system, FBT can outgrow its role of a contract manufacturer and become a trusted provider of technologies and production capacity, making it an important partner for customers' success. Meanwhile, all data relating to customers' mold development is duly protected.

(4) Customer satisfaction

The Company is dedicated to providing customers with the best service, and holds the conviction that customer service is key to satisfaction and loyalty, while customer loyalty is critical for securing relationships with existing customers, attracting new customers, and strengthening customer relations. The Company adopts a "Customer Satisfaction Management Policy" and conducts surveys on customers' satisfaction with respect to quality, cost, service, and delivery timing in June each year. Customers are asked to assign a score out of 25 for each of the four aspects, and the Company aims to maintain a total score of 75 or above and score at least 20, 15, 20, and 20 in the four aspects above, respectively. From the 13 questionnaires recovered in 2024, the Company achieved a total score of 85 and reported having met all indicator requirements.

Compared to 2023, the cost indicators showed a slight decline, mainly due to the consumption of raw material inventory from that year. However, the overall performance was still recognized by customers. Therefore, the Company will continue to enhance customer satisfaction and optimize service quality to more accurately meet customer needs.

At the Vietnam operation site, the two largest customers, NBV and HVN, receive proactive monthly evaluations based on their requirements. In 2024, both received a perfect score of 100%.

At the China operation site, customer systems provide monthly satisfaction evaluations based on service, quality, and delivery performance. In 2024, all scores were above 95.

9. Supplier (and contractor) evaluation

The Company has included supplier management rules in its Corporate Social Responsibility Code of Conduct, Supplier Selection and Evaluation Policy, and Supplier Preliminary/Regular Auditing Policy. All new suppliers are subject to evaluation and are scored on products, environmental practice, labor practice, human rights, and social responsibility. Their suppliers, too, are investigated for histories of environmental or social misconduct, which in turn prevents the Company from dealing with parties that contradict its social responsibility policies. New suppliers are required to sign the "CSR Statement" as proof of commitment to the Company's CSR initiative. The Company had 30 new suppliers in 2024, 100% of which were subjected to environmental and social evaluation using the "CSR Statement" and "Supplier CSR Questionnaire."

The Company issues a "Supplier CSR Questionnaire" at the end of each year and requires suppliers to complete the survey. The Company had 64 suppliers that met the survey requirements in 2024; they were each issued a supplier questionnaire, 100% of which had completed and returned the questionnaire.

On September 20, 2024, FBT held the Occupational Safety and Health Family & Supplier Networking Meeting to promote performance in the safety and health family system and the concept of a healthy workforce, as well as to exchange experiences in occupational safety and health management. A total of 14 suppliers participated, with 17 responses received via QR code survey. Course satisfaction reached 98.1%, indicating a highly effective exchange.

On December 17, 2024, a Supplier Networking Meeting was held to strengthen communication with suppliers and share the Company's business philosophy, award-winning continuous improvement case studies, sustainability management practices, and future market trends.

**Social Responsibility Implementation Status as Required by the Taiwan Financial Supervisory Commission**

Assessment Item	Implementation Status			Nonimplementation and Its Reason(s)
	Yes	NO	Summary	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		1. Driven by the vision and mission outlined in the "FBT Sustainable Development Policy," the Company passed the decision to set up a "Corporate Social Responsibility Committee" (CSR Committee) in 2015 for more efficient execution of sustainability tasks. During the meeting held on November 11, 2015, the board of directors authorized and appointed Director/President Wu, Tsung-Ming to serve as lead member of the committee. The CSR Committee's responsibility is to develop a CSR GRI system in line with the current organization and plans. On December 21, 2021, the board of directors passed a decision to change the name of the "CSR Committee" to "Sustainability Committee," as depicted in the organization chart on the following page. Meanwhile, to facilitate more effective management of sustainability efforts, the Administration Department (General Affairs Section) has been tasked with the duty of overseeing sustainable development policies, systems, and guidelines as well as the proposal and execution of action plans. Progress is reported to the board of directors within five months after the end of each year. Please see pages 56-73 for a more detailed description of the implementation of sustainable development. The board of directors takes heed of the management's briefings (including the ESG report) on a yearly basis. The management is responsible for devising corporate strategies, and the board of directors not only assesses the probability of success of such strategies, but also examines progress from time to time while urging the management to make adjustments when needed.	None
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	V		2. The Company has established a Sustainability Code of Conduct and set up a "Sustainability Development Committee." Based on the organizational structure and implementation plans, a system following GRI standards has been established. Since 2016, the Company has conducted annual risk assessments of environmental, social, and governance (ESG) issues related to its operations based on materiality principles. Relevant risk management policies or strategies are formulated accordingly. The Sustainability Committee analyzes these issues according to the materiality principle of the sustainability report, communicates with internal and external stakeholders, and reviews domestic and international research reports, literature, and integrates data from various departments and	None



Assessment Item	Implementation Status					Nonimplementation and Its Reason(s)																																																													
	Yes	NO	Summary																																																																
			<p>subsidiaries. Based on this, the Committee evaluates significant ESG issues and formulates effective risk management policies and action plans to identify, assess, monitor, and control risks, with the aim of reducing the impact of related risks. Based on the evaluated risks, the following relevant risk management policies or strategies are formulated:</p>																																																																
			<table><tr><th rowspan="3">Major Issue Areas</th><th rowspan="3">Risk Assessment Items Explanation</th><th colspan="3">Boundary</th><th rowspan="3">Explanation</th></tr><tr><th colspan="2">Within the Organization (Direct Impact)</th><th rowspan="2">Value Chain (Indirect Impact) (Business Behavior Impact)</th></tr><tr><th>Taiwan</th><th>Suzhou</th><th>Vietnam</th></tr><tr><td>Corporate Governance</td><td>Operational and Financial Performance</td><td>●</td><td>●</td><td>●</td><td>Shareholders, Customers, Suppliers/Contractors, Group</td><td>Stable and strong financial performance is essential to achieve shareholder equity and sustainable future development. We aim to enhance profitability and create greater economic value to meet stakeholder satisfaction.</td></tr><tr><td>Corporate Governance</td><td>Technology and Innovation R&amp;D</td><td>●</td><td>●</td><td>●</td><td>Customers, Shareholders, Group</td><td>1. All products comply with government regulations such as RoHS, ensuring no hazardous substances. 2. Certification of IATF 16949 Quality Management System by 2025 to ensure product development and manufacturing quality and safety.</td></tr><tr><td>Corporate Governance</td><td>Customer Relations Management</td><td>●</td><td>●</td><td>●</td><td>Customers</td><td>Key customers assign supervisors as customer representatives. Cross-functional teams are formed for product development, procurement, production, and quality assurance management based on demand.</td></tr><tr><td>Corporate Governance</td><td>Procurement Policies and Supplier Management</td><td>●</td><td>●</td><td>●</td><td>Customers, Suppliers/Contractors</td><td>Taiwan operations follow the IATF 16949 Quality Management System and Environment, Health, and Safety systems to manage and develop suppliers, stabilize customer relationships, and achieve sustainable supply chain development.</td></tr><tr><td>Environment</td><td>Climate Change and Energy-Saving and Carbon Reduction</td><td>●</td><td>●</td><td>●</td><td>Government Agencies, Group, Customers</td><td>1. Taiwan operations continue to obtain 'ISO 14001' and 'ISO 50001' environmental and energy management certifications annually by 2025, with regular verification of ISO 14064-1 and TCFD. Cross-department discussions are held to identify climate-related risks and opportunities, and related risk management strategies are developed. Monthly senior management meetings track progress. 2. Vietnam operations established a greenhouse gas inventory committee on August 2, 2024, with consulting companies supporting each factory in conducting greenhouse gas inventory operations in 2024. 3. China operations have been certified for ISO 14001 Environmental Management System since 2009, and will continue to operate and pass certification until 2025.</td></tr><tr><td>Social</td><td>Workplace Safety and Health Management</td><td>●</td><td>●</td><td>●</td><td>Government Agencies, Group, Suppliers/Contractors, Customers</td><td>Taiwan operations utilize the ISO 45001 Occupational Health and Safety Management System PDCA cycle to create a safe and healthy workplace.</td></tr><tr><td>Social</td><td>Employee Benefits and Compensation</td><td>●</td><td>●</td><td>●</td><td>Government Agencies, Group</td><td>1. Employees are the company's most valuable asset. In balancing employee welfare and shareholder interests, we offer the most competitive overall compensation to attract and retain the best talent. 2. Each operation site provides various employee welfare measures to enhance overall compensation.</td></tr></table> <p>Note: ● Indicates items included within the management scope; ◎ Indicates items planned to be included within the management scope in the future.</p>			Major Issue Areas	Risk Assessment Items Explanation	Boundary			Explanation	Within the Organization (Direct Impact)		Value Chain (Indirect Impact) (Business Behavior Impact)	Taiwan	Suzhou	Vietnam	Corporate Governance	Operational and Financial Performance	●	●	●	Shareholders, Customers, Suppliers/Contractors, Group	Stable and strong financial performance is essential to achieve shareholder equity and sustainable future development. We aim to enhance profitability and create greater economic value to meet stakeholder satisfaction.	Corporate Governance	Technology and Innovation R&D	●	●	●	Customers, Shareholders, Group	1. All products comply with government regulations such as RoHS, ensuring no hazardous substances. 2. 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3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics?	V		(1) The Company passed certification for ISO 14001 Environmental Management System in 2001 followed by the revised standards ISO 14001:2004 in 2005 and ISO 14001:2015 in 2018. The Chinese subsidiary, too, passed certification for ISO 14001 in 2009 followed by the revised standards ISO 14001:2015 in June 2017. In 2025, operations will continue and maintain certification: theTaiwan operation site completed verification of the ISO 14064-1 greenhouse gas inventory system for the previous year (2016 to 2024) each year. A Safety Management Office has been created to manage related matters. Please see pages 61-70 fora more detailed description of the implementation of sustainable development.			(1).None																																																													
(2) Is the Company committed to improving resource efficiency and to theuse of renewable materials with low environmental impact?	V		(2) The Company obtained ISO 50001 Energy Management System certification for its Taiwan operations in August 2015, and in August 2019, it obtained the ISO 50001:2018 version certification. From 2016 to 2023, the Company passed the verification of the previous year's ISO 14064-1			(2).None																																																													

Assessment Item	Implementation Status			Nonimplementation and Its Reason(s)
	Yes	NO	Summary	
			Greenhouse Gas Inventory System. The raw materials used by the Company comply with the EU's RoHS and REACH regulations, and the Company has implemented energy-saving and waste-reduction programs under ISO 14001, including material recycling, renewable energy-based product manufacturing, and pollution reduction in the manufacturing process to minimize environmental impact. For related performance, please refer to the sustainability development implementation section on pages 61- 70. In 2020, the Company established a Material Flow Cost Accounting (MFCA) team and introduced MFCA with "Motorcycle Brake Discs" as a pilot project. Based on the suggestions from the MFCA analysis, in 2021, a dedicated unit was established to redesign the disc brake with a wider material width and a multi-cavity die design. This multi-cavity die design was also applied at the Company's Vietnam operations, continuing efforts to reduce material costs and create a competitive advantage for the Company. In the future, if the Company follows through on the improvement plan and continues to review the results of the MFCA analysis based on the PDCA (Plan-Do-Check-Act) approach, it will work towards optimizing production conditions, aligning with the principles of the circular economy and contributing to the protection of the Earth's environment.	
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	V		(3). On December 21, 2021, the Board of Directors approved the establishment of the "TCFD Implementation Committee" under the Sustainability Committee to form a climate change governance structure. Using the TCFD framework, the Company developed its climate risk identification process. After discussions by the implementation committee and seed members, six opportunities and eleven risks were identified. Strategies, climate risk management plans, metrics, and targets were formulated accordingly, culminating in the preparation of the "Climate-Related Financial Disclosure Reports" for 2021 to 2023. These reports were submitted to the Board and verified at Level 5: Excellence. The updated "FBT 2024 Climate-Related Financial Disclosure Report" is pending Board presentation and verification. Future TCFD target achievement status will be included in the effectiveness section of the annual sustainability report published each May. For details on the Company's climate-related actions, please refer to pages 66–70: Section 5 – Climate-Related Information and GHG Inventory Implementation, and Energy Management System.	(3).None
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other wastemanagement policies?	V		(4). The Company's Taiwan operation site continues to operate under and maintain certifications for ISO 14001:2015 and ISO 50001:2018 management systems, with regular inventory processes implemented annually since 2015. Under the ISO 50001 Energy Management System, the Company sets an annual energy-saving target of at least 1% and continues to promote various improvement measures. ISO 14001 initiatives also include ongoing execution of proposals aimed at energy conservation and waste reduction, each with designated	(4).None

Assessment Item	Implementation Status			Nonimplementation and Its Reason(s)
	Yes	NO	Summary	
			improvement budgets. For statistics on greenhouse gas emissions, water consumption, and total waste over the past two years, as well as policies on energy conservation, GHG reduction, water usage reduction, and waste management, please refer to pages 68–70 and pages 61–64 in the aforementioned sustainability implementation section. The Vietnam operation site established a Greenhouse Gas Inventory Implementation Committee on August 2, 2024. With the assistance of a consulting firm, GHG inventory processes for 2024 are currently underway across all plants.	
4. Social Topic (1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		(1) The Company observes employment regulations and international human rights by providing workers with Labor Insurance and National Health Insurance coverage, making contributions to the new and old labor pension schemes, protecting workers' legal rights, and enforcing a non-discriminating employment policy. The Company also arranges group accident insurance for all its employees. For more detailed disclosures, please refer to section 1. Employee benefits on pages 133-142 and sections 5., Labor and capital Relationship, our company's sustainability report human rights and communication chapter.	(1).None
(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	V		(2).The Taiwan office has internal rules such as “Articles of Incorporation,” “Director Remuneration and Employee Remuneration Allocation Policy,” “Year-end Bonus Policy,” “Salary Policy,” and “Labor Pension Management Policy” in place to serve as guidelines for employee benefits and measures. For example: employee remuneration is allocated from profit before tax on a monthly basis and paid in the following year as mentioned in the Articles of Incorporation; year-end bonuses are appropriated monthly and paid before the next Lunar New Year. For more detailed disclosures, please see section 5. Labor relations on pages 133-142.	(2).None
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		(3) The Company has been certified for management systems such as ISO 14001 and ISO4500, and has a Safety Management Office in place to oversee related matters and organize regular safety and health training for employees. For more detailed disclosures on workplace health and safety, please see pages 133-142. The Company's operations in Mainland China obtained ISO 14001 Environmental Management System certification in 2009 and passed the ISO 14001:2015 version transition certification in June 2017. The certification has been continuously maintained and passed in 2025. No fires or major workplace accidents occurred at any of the Company's operational locations in 2024. In 2024, the Company scheduled an emergency response drill plan and conducted occupational safety and health education and training for all employees. A total of 13 drill activities were regularly conducted, ensuring employees are equipped to handle and respond to incidents. These drills included fire safety training to instill proper evacuation procedures in case of fire.	(3).None

Assessment Item	Implementation Status			Nonimplementation and Its Reason(s)
	Yes	NO	Summary	
			Additionally, emergency evacuation and shelter drills were implemented to ensure that all personnel across the plants could quickly evacuate to safety and account for everyone at a safe location.	
(4) Has the Company established effective career development training plans?	V		(4) The company's functional gap inspection results. Arrange annual plans to continue on-the-job training and training of personnel, the Company also conducts annual "Human Resource Survey/Individual Skill Evaluation," in which the head of each department is required to assess the skills of their subordinates and make a list of any online courses needed. Through evaluation of the employees' familiarity, the Company hopes to make appropriate training adjustments, record employees' training progress, and evaluate the future career potential of each employee. For more detailed disclosures on employees' training and career development, please refer to pages 138-140, Section 3, titled "Employee Education and Training, and Employee Career Development" for relevant operational details.	(4).None
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures?	V		(5).The Company is a Tier 1/Tier 2/Tier 3 supplier of the automobile supply chain; it does not produce end products, but instead supplies products and services to downstream customers such as Sanyang and KYMCO. While cooperating with customers on product development, production procedures, marketing, and service, the Company ensures compliance with relevant regulations and international standards such as IATF 16949 Quality Management System. None of the Company's products or services had violated the health or safety regulations of their respective sales destinations or against customers' requirements during their life cycles in 2024. Please see pages 71-73 for a more detailed description of the implementation of customer service and sustainable development. In addition to implementing a personal data protection system, the Company also assesses personal data risk and conducts internal audit and training on a yearly basis to protect the data of its customers and stakeholders.	(5).None
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V		(6) The Company has included supplier management rules in its Sustainable Development Code of Conduct, Supplier Selection and Evaluation Policy, and Supplier Preliminary/Regular Auditing Policy. All new suppliers are subject to evaluation and are scored on products, environmental practice, labor practice, human rights, and social responsibility. Their suppliers, too, are investigated for histories of environmental or social misconduct, which in turn prevents the Company from dealing with parties that contradict its sustainable development policies. Please see pages 73 for a more detailed description of the implementation of customer service and sustainable development.	(6).None
5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the	V		Since 2016, the Company has been preparing and publishing annual "CSR Reports" or "Sustainability Reports" using GRI G4 guidelines or GRI standards while engaging BSI Pacific Limited Taiwan Branch to validate the reports according to AA1000 AS:2008 Assurance Standard (Type 1 Moderate Assurance) and GRI G4 or GRI standards. All of the above reports have been	None

Assessment Item	Implementation Status			Nonimplementation and Its Reason(s)
	Yes	NO	Summary	
Company? Has the said Report acquire third party verification or statement of assurance?			validated to conform with AA1000 AS:2008 Assurance Standard Type 1 and GRI G4 or GRI core requirements. The acquired Independent Assurance Statement has been published on the Company's website at <a href="http://www.fineblanking.com.tw/ec99/rwd1280/category.asp?category_id=24">http://www.fineblanking.com.tw/ec99/rwd1280/category.asp?category_id=24</a> .	

<p>6. If the Company has established sustainability policies in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe its current practices and any deviations from the Best Practice Principles:</p> <p>The board of directors has passed a Sustainable Development Code of Conduct, which advocates continuity and integrity in all of the Company's business activities. Please refer to the above progress report on sustainable development efforts for more details. The Company first set up a “CSR Committee” in 2015, and the board of directors passed a resolution later on December 21, 2021, to rename the “CSR Committee” to “Sustainability Committee.” The duty of the committee is to enforce sustainable practices according to its charter, sustainability plans, and GRI G4 or GRI standards. Since 2016, the committee has been conducting annual reviews of previous years' performance and disclosing information in the form of a CSR Report or Sustainability Report. There was no deviation from the best practice principles.</p>
<p>7. Other information useful to the understanding of sustainable practice:</p> <p>Please see pages 61-73 for a more detailed description of the implementation of sustainable development. Information from August 2016 onwards is disclosed in the CSR Report or Sustainability Report, which can be found on the Market Observation Post System and on the Company's website under the CSR section. <a href="http://www.fineblanking.com.tw/ec99/rwd1280/category.asp?category_id=31">http://www.fineblanking.com.tw/ec99/rwd1280/category.asp?category_id=31</a> .</p>

### 2.3.6 Integrity policies and practices

The Company upholds “customer satisfaction, service integrity, pro-active accountability, professional innovation, and inclusive growth” as its core values. In particular, service integrity has always been the foundational principle for all of the Company's business activities. A reward and discipline policy has been established in the Work Rules to provide guidance for disciplinary action in case of violations.

The Company has implemented internal policies such as the “Ethical Behavior Guidelines for Directors and Managers,” “Ethical Corporate Management Best-Practice Principles,” and “Work Rules” that explicitly prohibit employees from seeking personal gains at the Company's expense or engaging in any activities that are in conflict with the Company's interests; prohibit any form of bribery, unfair competition, fraud, and wastage or abuse of company resources; prohibit any conduct that has adverse consequences on the Company, the environment, or society; require compliance with all laws and legal spirit; and prohibit any decisions or conduct that inappropriately affect any parties including government officials, civil servants, courts, customers, suppliers, and contractors.

## Taiwan Corporate Conduct and Ethics Implementation as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summary	
<p>1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(1) Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p>	V		(1) The Company has its own “Ethical Corporate Management Best-Practice Principles” and all members of the Company and group uphold “customer satisfaction, service integrity, pro-active accountability, professional innovation, and inclusive growth” as the core values when making strategic goals and plans. Both the board of directors and the management are committed to enforcing these values in management and commercial activities, and a reward and discipline policy has been established in the Work Rules to provide guidance for disciplinary action in case of violations.	(1).None
<p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p>	V		(2).The Company has internal policies such as the “Ethical Corporate Management Best-Practice Principles,” “Ethical Behavior Guidelines for Directors and Managers,” “Corporate Governance Code of Conduct,” “Work Rules,” and “Safety and Health Code of Conduct” in place to regulate the conduct of its directors, managers, and employees. As part of the annual internal self-assessment exercise, the Company tries to identify corruption risks and any risks likely to be induced by internal and external events, including the risk of not being able to attain goals, financial reporting risks, and compliance risks. Any identified risks that are likely to lead to corruption are mitigated and controlled through proper allocation of duties and rigorous internal audit.	(2).None

Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summary	
(3) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	V		(3).The Company upholds “customer satisfaction, service integrity, pro-active accountability, professional innovation, and inclusive growth” as its core values. In particular, service integrity has always been the foundational principle for all of the Company’s business activities. To prevent dishonest conduct, all employees are required to disclose any existing or potential conflicts with the Company’s interests. The Company has an opinion box in place that employees can use to report misconduct and raise complaints. All reports made are handled personally by the most senior management officer. Furthermore, disciplinary action for violations of business integrity have been detailed in the Work Rules °	(3).None
2. Ethic Management Practice (1) Whether the company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		(1) The Company takes pragmatic action to help customers, suppliers, and business partners understand its work culture. For example, new suppliers are required to sign the “CSR Statement” as proof of commitment to the Company’s CSR initiative. All suppliers are expected to make positive contributions to the environment, human rights, and society, for which the Company issues a “Supplier CSR Questionnaire” at the end of each year and requires suppliers to complete the survey. Furthermore, the Company conveys its business philosophy to customers by participating in customer audits.	(1).None

Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summary	
<p>2. Ethic Management Practice</p> <p>(2) Whether the company has set up a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?</p>	V		<p>(2) Organizations and channels such as the Remuneration Committee, internal auditors, and Personnel Evaluation Committee have been created directly under the board of directors to provide independent supervision and audit. The principles of their supervisory and auditing practices have also been reflected in management policies. Service integrity is one of the core values of FBT, one that has been thoroughly enforced throughout the entire group by the Chairman, designated department heads, and internal auditors. The Chairman, President, and spokesperson are responsible for communicating and disclosing complete financial information to outsiders under the supervision of the board of directors. Internally, the Company has designated units and the Chief Internal Auditor available to make regular progress reports to the board of directors.</p>	(2).None
<p>(3) Whether the company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?</p>	V		<p>(3) All new employees are required to sign agreements on confidentiality and the use of personal data. They are each handed a copy of the Work Rules, which explicitly prohibit any dishonest conduct and require full disclosure of any existing or potential conflicts with the Company's interests. The Company has an opinion box in place that employees can use to report misconduct and raise complaints. All reports made are handled personally by the most senior management officer. Furthermore, disciplinary action for violations of business integrity have been detailed in the Work Rules.</p>	(3).None



Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summary	
2. Ethic Management Practice (4) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	V		(4)The Company has created effective accounting and internal control systems, and adopted the practice of checking control points for procedures that are prone to higher risks of dishonesty. The internal audit unit devises an annual audit plan based on risk assessment outcomes and carries out audits accordingly. Audit findings are compiled into reports and presented to the board of directors. Fu Feng CPAs conducts regular financial statement reviews and internal control audits for the Company. Furthermore, all internal departments are required to self-examine the effectiveness of their internal control systems at the beginning of each year.	(4).None
(5) Does the company provide internal and external ethical conduct training programs on a regular basis?	V		(5)In an attempt to advocate and promote integrity, the Company not only discloses the terms of its “Ethical Behavior Guidelines for Directors and Managers” and “Ethical Corporate Management Best-Practice Principles” on the Intranet but also conveys core values through internal strategies and operational activities. Meanwhile, the internal audit unit conducts audits from time to time to determine whether the Company and its contractors, suppliers, and customers comply with laws. The Company has been organizing internal as well as external training and awareness programs on business integrity on a regular basis since 2015.	(5).None

Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summary	
3. Implementation of Complaint Procedures				
(1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		(1) The Company has established the "Code of Ethical Conduct for Directors and Managers" and the "Ethical Corporate Management Best Practice Principles," both of which are disclosed in the Corporate Governance section of the Company's official website. All employees are responsible for complying with these regulations, and supervisors at all levels are required to fully implement and ensure that their subordinates understand, accept, and strictly adhere to the relevant provisions.	(1).None
(2) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	V		(2) The Company handles all received reports and subsequent investigations with confidentiality and strict diligence. These procedures are clearly defined in the "Ethical Corporate Management Best Practice Principles." Individuals who report illegal conduct or participate in the investigation process are properly protected by the Company to prevent any unfair treatment or retaliation. Whistleblowers who experience retaliation may seek relief from the responsible unit or the Internal Audit Office.	(2).None
(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	V		(3) The Company strictly prohibits any form of retaliation against individuals who report misconduct in good faith or assist in investigations. The Company ensures the protection of the whistleblower's position and salary, and guarantees that they will not be demoted or dismissed as a result of reporting. If retaliation does occur due to a legitimate report, the Company will not only provide appropriate compensation to the affected party but will also impose disciplinary action, in accordance with the Company's "Work Rules," on those who carried out the retaliation.	(3).None

Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summary	
4. Information Disclosure Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (“MOPS”)?	V		The Company has posted the terms of its integrity policy and related materials on the Intranet, where employees may access it anytime. Copies of the Company’s annual report and internal policies such as “Ethical Behavior Guidelines for Directors and Managers” and “Ethical Corporate Management Best-Practice Principles” have been made available on the corporate website <a href="http://www.fineblanking.com.tw/">http://www.fineblanking.com.tw/</a> and on the Market Observation Post System for public disclosure of business integrity information.	None
5.If the Company has established business integrity policies in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies,” please describe its current practices and any deviations from the Best Practice Principles: The Company has internal policies such as the “Ethical Corporate Management Best-Practice Principles,” “Ethical Behavior Guidelines for Directors and Managers,” “Corporate Governance Code of Conduct,” “Work Rules,” and “Safety and Health Code of Conduct” in place to regulate the conduct of its directors, managers, and employees. All board members, managers, and employees are required to comply with relevant policies. Please refer to sections 1 to 4 above for explanations on business integrity. There were no material deviations between actual practices and the best-practice principles.				
6. Other information relevant to understanding business integrity within the Company: (e.g. review and amendment of the Ethical Corporate Management Best-Practice Principles) In response to the enactment of Personal Data Protection Act, new policies have been implemented to prevent conflicts of interest, avoid infringement of intellectual property rights, prohibit unfair competition, protect stakeholders against harm from the products or services provided, evaluate business parties for histories of dishonesty, establish a whistleblowing system, and build a culture of integrity from the top down. The Company last amended its “Ethical Behavior Guidelines for Directors and Managers” on March 16, 2021, and “Ethical Corporate Management Best-Practice Principles” on June 18, 2020, for alignment with the Company’s integrity practices. Details have been disclosed in the 2023 sustainability report and in sections 1 to 4 above.				

### 2.3.7 Other important information material to the understanding of corporate governance within the Company:

1. All new insiders such as directors, supervisors, and managers are handed a copy of the “Regulations and Notes on Insider Trading and Insider Equity Holding for TPEX and Emerging Stock Market Companies” via e-mail when assuming office.
2. Visit the investors section on the Company’s website at <http://www.fineblanking.com.tw/> . (Investor Relations Section)
3. Continuing education undertaken by directors and managers on topics concerning corporate governance and new regulations in 2024 and up until the publication date of annual report:

## Continuing education of directors in 2024 and up to the publication date of this annual report

Title	Name	Training Date O		Organizer	Course title	Hours
		Start	End			
Legal Person Director Representative	Chung-Yi Wu	2024.06.16	2024.06.16	Taiwan Investor Relations Institute	Hostile Takeover - Focusing on Control of Management.	3
		2024.07.21	2024.07.21	Taiwan Investor Relations Institute	Functions and Prospects of the Taiwan Carbon Solution Exchange & How the Board of Directors Oversees the Establishment and Improvement of Risk Management Mechanisms.	3
Legal Person Director Representative	Jui-Chang Lin	2024.06.12	2024.06.12	The Greater China Financial and Economic Development Association	Risks and Considerations of Generative AI for Businesses.	3
	Jui-Chang Lin	2024.09.20	2024.09.20	Securities & Futures Institute	2024 Seminar on Prevention of Insider Trading	3
Legal Person Director Representative	Kuan-Hsing Wu	2024.09.06	2024.09.06	Securities & Futures Institute	TPEX and Emerging Stock Market Insider Shareholding Seminar- Taichung Session	3
Legal Person Director Representative	Hung-Wuu Li	2024.08.29	2024.08.29	The Greater China Financial and Economic Development Association	Trends and Common Issues in the Restructuring of Taiwanese Business Supply Chains in Mainland China.	3
		2024.10.16	2024.10.16	The Greater China Financial and Economic Development Association	Key Challenges in Taiwanese Businesses' Overseas Investment Strategies (ASEAN, India).	3
Legal Person Director Representative	Yen-Hsing Wu	2024.06.12	2024.06.12	The Greater China Financial and Economic Development Association	Risks and Considerations of Generative AI for Businesses.	3
		2024.08.28	2024.08.28	The Greater China Financial and Economic Development Association	Digital Marketing	3
		2024.08.29	2024.08.29	The Greater China Financial and Economic Development Association	Trends and Common Issues in the Restructuring of Taiwanese Business Supply Chains in Mainland China.	3
		2024.09.19	2024.09.19	The Greater China Financial and Economic Development Association	Corporate Financial Decisions: A Behavioral Perspective.	3
		2024.11.14	2024.11.14	The Greater China Financial and Economic Development Association	The Greater China Financial and Economic Development Association	3
		2024.12.05	2024.12.05	The Greater China Financial and Economic Development Association	Global and Taiwan Economic Outlook	3
Independent Director	Chia-Chi Kuo	2024.03.01	2024.03.01	CPA Associations R.O.C. (Taiwan)	Corporate Laws and Company Registration	3
		2024.04.23	2024.04.23	CPA Associations R.O.C. (Taiwan)	4/23 (Online Video) 1. Practical Application of Corporate and Individual	3
		2024.06.19	2024.06.19	CPA Associations R.O.C. (Taiwan)	6/19 (Taichung) Anti-Money Laundering: International Development Trends and Practices	3
		2025.02.21	2025.02.21	Taiwan Investor Relations Institute	Corporate Sustainability: From Anxiety to Strategy	3
		2025.02.24	2025.02.24	The Greater China Financial and Economic Development Association	Trump's New Tariff Policy and the Shifting Global Economy	3
Independent Director	Yi-Min Lin	2024.10.08	2024.10.08	The Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	NVIDIA's 3-Trillion Miracle: New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3
		2024.10.21	2024.10.21	CPA Associations R.O.C. (Taiwan)	Money Laundering Patterns That Accountants Should Be Aware of in Taichung: A Case Analysis of Tax Crimes	3
Independent Director	Cheng-Shong Hong	2024.07.11	2024.07.11	The Greater China Financial and Economic Development Association	AI and FinTech: New Trends and Practical Applications	3
		2024.10.24	2024.10.24	The Business Development Foundation of the Chinese Straits	"Corporate Governance" Continuing Education for Directors, Supervisors, and Corporate Governance Officers of Listed and OTC Companies	3

### Director Continuing Education Inquiry (4535)

Please visit <https://mops.twse.com.tw/mops/web/t100sb07> to access the Market Observation Post System (MOPS). Enter the company code "4535" to inquire about detailed information on the attendance and continuing education status of directors and supervisors, as well as the current positions, experience, and concurrent roles of independent directors (individual).

Managers' continuing education in 2024 and as of the date of report publication

Title	Name	Training date	Organizer	Course name	Training hours
President	Chung-Ming Wu	2024/3/20	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements	1
		2024/5/22	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements (Updates/Changes)	1
		2024/6/4	Transform Management Consultants Co. Ltd.	Dale Carnegie_Mentor and Legacy - Open Management	24.5
		2024/12/16	FINE BLANKING & TOOL CO., LTD.	Foundations and Applications of Generative AI	1
Vice President	Chin-Tsu Hsieh	2024/3/20	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements	1
		2024/5/22	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements (Updates/Changes)	1
		2024/12/16	FINE BLANKING & TOOL CO., LTD.	Foundations and Applications of Generative AI	1
Manager of the Administration Department and Spokesperson	Mei-Niang Liu	2024/3/15	Taipei Exchange	Corporate Governance Evaluation and Advocacy Course for the Year 2024.	3
		2024/3/20	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements	1
		2024/3/21	Taipei Exchange	New Securities Trading Law Section 43-1 Item 1 Large Share Acquisition Declaration System for Listed/Over-the-Counter Companies	3
		2024/4/12	Accounting Research and Development Foundation	Latest Annual Report Preparation & Impact of Sustainability Policy Laws and Net Zero Carbon Emission Plans on Financial Reports	6
		2024/5/22	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements (Updates/Changes)	1
		2024/5/30	The Manufacturers United General Association of Industrial Parks, R.O.C.	Migrant Worker Management Guidelines and Practical Analysis	3
		2024/6/4	Transform Management Consultants Co. Ltd.	Dale Carnegie_Mentor and Legacy - Open Management	24.5
		2024/6/13	Accounting Research and Development Foundation	Revision of Internal Control System Guidelines and Compliance Practices Related to Financial Report Preparation and Internal Audit Laws	6
		2024/6/17	Chinese Professional Executive Association (CPEA)	Latest Labor Law Amendments Analysis and Practical Operation Points	6
		2024/6/20	Occupational Safety and Health Administration, Ministry of Labor	2024 Healthy Labor Force Sustainable Enterprise Selection Briefing	2
		2024/7/4	Sanyang Motor Co., Ltd.	Carbon Trading Practice Talent Promotion Workshop	12
		2024/7/16	Taiwan Institute for Sustainable Energy (TAISE)	2024 2nd Taiwan Biodiversity Forum	7
		2024/7/17	Accounting Research and Development Foundation	2024 Sustainability Information Management Internal Control System Promotion Meeting	3.5
		2024/8/9	National Quality Award Sustainable Elite Alliance	Corporate Growth Exchange Activity - Dalong Enterprise Visit	3
		2024/8/22~23	Accounting Research and Development Foundation	Accounting Supervisor Continuing Education Program (Two-day Course)	12
		2024/10/11	Taiwan Stock Exchange	Greenhouse Gas Inventory Workshop Course	7.5
		2024/10/17	Occupational Safety and Health Administration, Ministry of Labor	Fire and Explosion Hazard Prevention Management Practical Training	3
		2024/10/28	Taipei Exchange	2024 Over-the-Counter Companies' Matters to Address Promotion Meeting	1.5
		2024/11/7	Taiwan Institute of Economic Research	2025 Economic Outlook and Industry Trend Seminar [Online Live]	3
		2024/11/19	British Standards Institution	2024 BSI International Standards Management Conference - Anticipating Opportunities, Preparing for the Future	3.5
		2024/12/3	Taipei Exchange	2024 Listed Companies' Sustainable Report Preparation and Production Function Promotion Meeting	3
		2024/12/16	FINE BLANKING & TOOL CO., LTD.	Foundations and Applications of Generative AI	1

Title	Name	Training date	Organizer	Course name	Training hours
Administration Department	Ya-Ling Huang	2024/1/15	Yuan Ta Securities Co., Ltd.	2024 Annual Shareholders' Meeting Special Seminar	3.5
		2024/2/23	Taiwan Investor Relations Institute (TIRI)	The Secret to Improving Corporate Performance - Cost Analysis and Green Supply Chain	3
		2024/2/29	The Greater China Financial Development Association	Crisis Management Strategy	3
		2024/3/15	Taipei Exchange	Corporate Governance Evaluation and Advocacy Course for the Year 2024.	3
		2024/3/21	Taipei Exchange	New Securities Trading Law Section 43-1 Item 1 Large Share Acquisition Declaration System for Listed/Over-the-Counter Companies	3
		2024/4/12	Accounting Research and Development Foundation	Latest Annual Report Preparation & Impact of Sustainability Policy Laws and Net Zero Carbon Emission Plans on Financial Reports	6
		2024/5/30-31	Accounting Research and Development Foundation	Accounting Supervisor Continuing Education Program (Two-day Course)	12
		2024/6/4	Transform Management Consultants Co. Ltd.	Dale Carnegie_Mentor and Legacy - Open Management	24.5
		2024/9/23	Taipei Exchange	Sustainability Information Management Internal Control System Promotion Meeting	2.5
		2024/10/24	China Productivity Center	Financial Process Management and Fraud Prevention Measures	6
		2024/10/28	Taipei Exchange	2024 Over-the-Counter Companies' Matters to Address Promotion Meeting	1.5
		2024/11/1	Taiwan Academy of Banking and Finance	Corporate Governance - Code of Integrity Management	1
		2024/11/8	Taiwan Academy of Banking and Finance	Corporate Governance - Discussing the Role and Accountability of Controlling Shareholders	3
		2024/11/19	Taipei Exchange	Sustainability Development Committee and Sustainability Leader's Forum	3.5
		2024/12/31	Securities and Futures Institute, R.O.C.	2024 Listed Companies' Sustainable Report Preparation and Production Function Promotion Meeting	3
		2025/2/21	Taiwan Investor Relations Institute (TIRI)	Corporate Sustainability - From Anxiety to Strategy	3
		2025/4/11	Institute of Internal Auditors, Republic of China (IIA ROC)	Key Considerations and Impact of IFRS S1/S2 on Internal Control and Internal Audit	6
Chief Internal Auditor	Pei-Jung Wu	2024/4/29	Accounting Research and Development Foundation	Latest "Annual Report/Sustainability Information/Financial Report Preparation" Legal Regulations Analysis and Internal Control Management Practices	6
		2024/6/4	Transform Management Consultants Co. Ltd.	Dale Carnegie_Mentor and Legacy - Open Management	24.5
		2024/7/23	Accounting Research and Development Foundation	2024 Sustainability Information Management Internal Control System Promotion Meeting	3.5
		2024/8/30	Yuan Hong Management Consulting Co., Ltd.	Inventory Management and Obsolete Material Analysis and Treatment Practices	6
		2024/9/6	Taipei Exchange	Over-the-Counter/Listed Company Insiders' Stock Ownership Declaration Meeting	3.5
		2024/10/29	Institute of Internal Auditors, Republic of China (IIA ROC)	Production Cycle Practices and Audit Key Points	6
Auditor	Chun-Hui Shen	2024/5/20	Labor General Physical and Health Examination Record Form	Central Taiwan Labor Force Development Strategy Alliance [Resilient Supply Chain and Key Talent]	2.5
		2024/7/18	Institute of Internal Auditors, Republic of China (IIA ROC)	Legal Risks in Business Management and Responses for Internal Auditors	6
		2024/10/22	Institute of Internal Auditors, Republic of China (IIA ROC)	Workplace Sexual Harassment and Illegal Abuse (Bullying) Prevention	6
Deputy Manager of the President's Office and Acting Spokesperson	Chun-Chieh Lin	2024/2/28	Taiwan Academy of Banking and Finance (TABF)	Information Security Management Guidelines E-course	1.5
		2024/2/28	Taiwan Academy of Banking and Finance (TABF)	Information Security Awareness, Essential Knowledge, and Responsibility E-course	2
		2024/2/28	Taiwan Academy of Banking and Finance (TABF)	Cybersecurity Incident Explanation and Prevention Measures E-course	2.5
		2024/3/20	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements	1
		2024/5/22	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements (Updates/Changes)	1
		2024/6/4	Transform Management Consultants Co. Ltd.	Dale Carnegie_Mentor and Legacy - Open Management	24.5
		2024/10/16	i-Torch Technology Co., Ltd.	Manufacturing Industry's Path to Digital Transformation Seminar	2
		2024/12/16	FINE BLANKING & TOOL CO., LTD.	Foundations and Applications of Generative AI	1

Title	Name	Training date	Organizer	Course name	Training hours
Manager of the Sales Department	Neng-Tang Chou	2024/4/25	China Steel Corporation (CSC)	Steel Engineering Technical Workshop - Class B	16
		2024/6/4	Transform Management Consultants Co. Ltd.	Dale Carnegie_Mentor and Legacy - Open Management	24.5
		2024/8/6	Taiwan Mold & Die Industry Association (TMDIA)	2024 Mould Industry Export Expansion Seminar (Taichung Venue)	3
		2024/8/15	Kwang Yang Motor Co., Ltd.	[Dialogue with History] Exploring Business Strategies for SMEs	6
		2024/9/13	Yuan Hong Management Consulting Co., Ltd.	Customer Response and Consulting as Sales Techniques	6
		2024/10/8	Yuan Hong Management Consulting Co., Ltd.	Business Etiquette and Customer Service Skills	6
		2024/12/16	FINE BLANKING & TOOL CO., LTD.	Foundations and Applications of Generative AI	1
Manager of the Quality Assurance Department	Ming-Hsing Lin	2024/3/15	POLARIS	Polaris North Star Online Training - Drawing Design Review	1.5
		2024/3/20	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements	1
		2024/5/22	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements (Updates/Changes)	1
		2024/6/4	Transform Management Consultants Co. Ltd.	Dale Carnegie_Mentor and Legacy - Open Management	24.5
		2024/7/12	POLARIS	Polaris North Star Online Training - Drawing Design Review	2
		2024/12/16	FINE BLANKING & TOOL CO., LTD.	Foundations and Applications of Generative AI	1
Manager of the Technology Research Department	Jung-Feng Wu	2024/3/20	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements	1
		2024/3/29	DMG MORI Taiwan Co., Ltd.	DMG MORI Taiwan Seminar	3.5
		2024/4/25	China Steel Corporation (CSC)	Steel Engineering Technical Workshop - Class B	16
		2024/5/22	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements (Updates/Changes)	1
		2024/6/4	Transform Management Consultants Co. Ltd.	Dale Carnegie_Mentor and Legacy - Open Management	24.5
		2024/10/16	i-Torch Technology Co., Ltd.	Manufacturing Industry's Path to Digital Transformation Seminar	2
Manager of the Manufacturing Department	Chia-Che Chang	2024/3/20	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements	1
		2024/5/22	FINE BLANKING & TOOL CO., LTD.	IATF 16949 Customer Specific Requirements (Updates/Changes)	1
		2024/6/4	Transform Management Consultants Co. Ltd.	Dale Carnegie_Mentor and Legacy - Open Management	24.5
		2024/6/11	Plastics Industry Development Center (PIDC)	Practical Application of the Taguchi Method	6
		2024/8/30	Yuan Hong Management Consulting Co., Ltd.	Inventory Management and Obsolete Material Analysis and Treatment Practices	6
		2024/10/17	Occupational Safety and Health Administration, Ministry of Labor	Inventory Management and Obsolete Material Analysis and Treatment Practices	3
		2024/12/16	FINE BLANKING & TOOL CO., LTD.	Foundations and Applications of Generative AI	1

## 2.3.8 Disclosures Required for the Implementation of the Internal Control System

### 1.Statement of Internal Control System

#### **FINE BLANKING & TOOL CO., LTD.**

#### **Statement of Internal Control System**

Feb 24, 2025

Based on the findings of a self-assessment, FINE BLANKING & TOOL CO., LTD. (FBT) states the following with regard to its internal control system during the year 2024:

1. FBT's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. 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 FBT takes immediate remedial actions in response to any identified deficiencies.
3. FBT 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 criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items which can be found in the Regulations.
4. FBT has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, FBT believes that, on December 31, 2024, 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 and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of FBT'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 Law.
7. This Statement was passed by the Board of Directors in their meeting held on Feb 24, 2025, with none of the ten attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

**FINE BLANKING & TOOL CO., LTD.**

Chung-Yi Wu, Chairman

Chung-Ming Wu, President

- 2.If the internal control system was reviewed by external CPAs, the result of such review should be disclosed: None.



**2.3.9 Major resolutions passed in shareholders' meetings and board of directors' meetings held in the last year and up until the publication date of the annual report**

**1. Major resolutions passed in the annual general meeting and the implementation status**

Meeting name	Meeting date	Summary	Resolution and implementation status
2024 Annual General Meeting	May 21, 2024	Acknowledgment of the 2023 business report, financial statements, and consolidated financial statements encompassing business investments.	Resolution passed: Acknowledged the 2023 business report and financial statements, which reported full-year consolidated revenue of NT\$2,860,040,000, net income of NT\$273,083,000, net income attributable to owners of the parent company of NT\$181,424,000, and earnings per share of NT\$2.40.
		Acknowledgment of the 2023 earnings distribution proposal.	Resolution passed: To approve the distribution of common cash dividends at NT\$1.6 per share for a total of NT\$121,058,784. During the meeting held on May 21, 2024, the board of directors passed a decision to set the baseline date for dividends at June 19, 2024. The payment of cash dividends was completed on June 28, 2024.

**2. Major board of directors resolutions and implementation status**

Meeting name	Meeting date	Summary	Resolution and implementation status
1st board meeting of 2024	February 27, 2024	Review of the Company's 2023 business report, financial statements, and consolidated financial statements encompassing business investments.	1. Resolution passed: To acknowledge the 2023 business report and financial statements, which reported full-year consolidated revenue of NT\$2,860,040,000, net income of NT\$273,083,000, net income attributable to owners of the parent company of NT\$181,424,000, and earnings per share of NT\$2.40. 2. The material information was released on February 27, 2024. 3. The outcome was announced and uploaded on March 14, 2024. 4. To be reported for acknowledgment during the annual general meeting scheduled on May 21, 2024.
		2023 earnings distribution proposal.	Resolution passed; implementation status is as follows: 1. The common share cash dividends are to be paid at NT\$1.6 per share for a total of NT\$121,058,784. 2. The material information concerning dividends resolved by the board of directors was announced on February 27, 2024. 3. To be reported for acknowledgment during the annual general meeting scheduled on May 21, 2024.
		Discussion on the issuance of the 2023 "Declaration of Internal Control System of Fine Blanking & Tool Co., Ltd."	Resolution passed; implementation status is as follows: 1. The outcome was announced and uploaded on February 27, 2024. 2. The details have been disclosed in the 2023 annual report.
		Discussion on the regular assessment of CPAs' independence in accordance with regulations and CPA appointment for 2024.	Resolution passed; implementation status is as follows: CPA Yen, Kuo-Yu and CPA Chi Chia-Yu were found to have met the independence criteria, and were appointed as financial statement auditors for 2024.

Meeting name	Meeting date	Summary	Resolution and implementation status
1st board meeting of 2024	February 27, 2024	Discussion on the renewal of expiring banking facilities for May 2024 to April 2025.	Resolution passed and carried out accordingly upon the renewal date.
		Discussion on amendments to the Rules Procedure for Directors.	Resolution passed; implementation status is as follows: 1.The outcome was announced and uploaded before March 19, 2024. 2.The issuance of internal documents was completed on April 11, 2024; the amended terms have since been effected
		Discussion on the amendment of the Company's "Audit Committee Organization Rules".	Resolution passed; implementation status is as follows: 1. The outcome was announced and uploaded before February 27, 2024. 2.The issuance of internal documents was completed on April 11, 2024; the amended terms have since been effected
		Discussion on amendments to the Company's "Corporate Governance Code of Conduct."	Resolution passed; implementation status is as follows: 1.The outcome was announced and uploaded before March 15, 2024. 2.The issuance of internal documents was completed on April 11, 2024; the amended terms have since been effected
		Discussion on the establishment of the "Risk Management Practical Guidelines"	Resolution passed after discussion with attending directors, proposal not approved.
		Discussion Item Eleven of the 2024 Shareholders' Meeting: Meeting Date, Venue, and Method.	Resolution passed to convene the 2024 Annual General Shareholders' Meeting on May 21, 2024. The implementation status is as follows: A major announcement in both Chinese and English regarding the meeting date, venue, and agenda was released on February 27, 2024. On March 6, 2024, it was announced that shareholder proposals from shareholders holding 1% or more of the issued shares would be accepted from March 15 to March 25, 2024. During the proposal period, no other shareholders holding 1% or more of the issued shares submitted proposals. In accordance with regulations, the proposal announcement procedures were completed on May 21, 2024.

Meeting name	Meeting date	Summary	Resolution and implementation status
2nd board meeting in 2024	May 10, 2024	Review of the Company's 2023 first-quarter consolidated business reports and consolidated financial statements encompassing business investments.	<p>1. Resolution acknowledged: To acknowledge the 2024 first-quarter business report and financial statements, which reported consolidated revenue of NT\$688,991,000, net income of NT\$72,567,000, net income attributable to owners of the parent company of NT\$51,520,000, and earnings per share of NT\$0.68.</p> <p>2. The material information was released on May 10, 2024.</p> <p>3. The financial statements were published and forwarded to the Taipei Exchange on May 15, 2024.</p>
		Authorization regarding the termination of operating rights for the mainland subsidiary Suzhou Fine Blanking & Tool Co., Ltd., discussion.	<p>1. The material information was released on May 10, 2024.</p> <p>2. Currently seeking potential buyers for the equity disposal transaction.</p>
3rd board meeting in 2024	May 21, 2024	Determination of the baseline date for cash dividends as part of the 2023 earnings distribution.	<p>Resolution passed: Baseline date for cash dividends - June 19, 2024 (Wednesday) Payment date - June 28, 2024 (Friday)</p> <p>1. The material information was released on May 21, 2024.</p> <p>2. The announcement for the cash dividend payment was made on May 29, 2024. The baseline date for payment of cash dividends, profit-sharing, or other rights was announced on May 29, 2024.</p> <p>3. The payment of cash dividends was completed on June 28, 2024.</p>
4th board meeting in 2024	August 7, 2024	Report on the 2024 first-half performance of the Company and equity-accounted long-term investments (subsidiaries).	<p>1. Resolution acknowledged: To acknowledge the 2024 first-half business report and financial statements, which reported consolidated revenue of NT\$1,401,301,000, net income of NT\$139,641,000, net income attributable to owners of the parent company of NT\$95,257,000, and earnings per share of NT\$1.26.</p> <p>2. The material information was released on August 7, 2024.</p> <p>3. The financial statements were published and forwarded to the Taipei Exchange on August 13, 2024.</p>
5th board meeting in 2024	October 31, 2024	Consolidated financial statements of the Company and consolidated financial statements encompassing business investments for the first three quarters of 2024.	<p>1. Resolution acknowledged: To acknowledge the 2024 three-quarter business report and financial statements, which reported consolidated revenue of NT\$2,149,271,000, net income of NT\$203,473,000, net income attributable to owners of the parent company of NT\$131,524,000, and earnings per share of NT\$1.74.</p> <p>2. The material information was released on October 31, 2024.</p> <p>3. The financial statements were published and forwarded to the Taipei Exchange on November 13, 2024.</p>

Meeting name	Meeting date	Summary	Resolution and implementation status
6th board meeting in 2024	December 18, 2024	Discussion on the revision of the Company's "Internal Control System" and "Internal Audit Implementation Guidelines".	Resolution acknowledged Internal document revision and implementation completed on February 5, 2025.
		Review of the 2025 Audit Plan.	The announcement was uploaded before December 31, 2024, and audit operations have been carried out according to the plan since 2025.
		Review of the 2024 Year-End Bonus and Special Bonus Distribution.	1. Resolution passed; the cumulative amounts of the year-end bonus and special bonus up until December 2024 shall be estimated and allocated according to the "Year-end Bonus and Special Bonus Allocation and Payment Policy." Payment date: before January 22, 2025. 2. The payment was completed before January 24, 2025., as proposed and resolved.
		Review of the 2024 Board of Directors and Employee Compensation Distribution.	Resolution passed: 1. In accordance with the resolution of the board meeting on December 18, 2024, it has been included in the financial report of 2024 and was approved at the meeting on February 24, 2025, and included in the shareholder's annual meeting report for the year 2025. 2. Employee remuneration NT\$12,772,000 The payment was completed before January 24, 2025. Director remuneration NT\$9,196,000 The payment is expected to be completed before March 27, 2025.
		Review of the 2025 Business Plan and Financial Statement Budget.	1. Passed the operational plans and projected financial statements for 2025. 2. The 2025 projected financial statements are for internal use only and are not disclosed to the public.
		Discussion on the revision of the Company's "Board of Directors Performance Evaluation Procedures".	Resolution passed: The document distribution operation was completed on December 30, 2024, and has been implemented in accordance with the regulations since the date of issuance.
		Discussion on the date of the 2025 Annual Shareholders' Meeting.	1. Resolution passed: To register the date of the annual general meeting at May 27, 2025. 2. On January 3, 2025, the date of the annual general meeting was registered at May 27, 2025 (Tuesday). 3. On February 24, 2025, the board of directors passed a resolution to set the date of the annual general meeting at May 27, 2025 (Tuesday), and the 2025 annual general meeting was convened as scheduled.
		Discussion on the issuance of the 2024 "Declaration of Internal Control System of Fine Blanking & Tool Co., Ltd."	Resolution passed; implementation status is as follows: 1. The outcome was announced and uploaded on March 12, 2025. 2. The details have been disclosed in the 2024 annual report.

Meeting name	Meeting date	Summary	Resolution and implementation status
1st board meeting of 2025	February 24, 2025	Review of the Company's 2024 business report, financial statements, and consolidated financial statements encompassing business investments.	<p>1. Resolution passed: To acknowledge the 2024 business report and financial statements, which reported full-year consolidated revenue of NT\$2,909,509,000, net income of NT\$288,195,000, net income attributable to owners of the parent company of NT\$185,076,000, and earnings per share of NT\$2.44.</p> <p>2. The material information was released on February 24, 2025.</p> <p>3. The outcome was announced and uploaded on March 14, 2025.</p> <p>4. To be reported for acknowledgment during the annual general meeting scheduled on May 27, 2025.</p>
		2024 earnings distribution proposal.	<p>Resolution passed; implementation status is as follows:</p> <p>1. The common share cash dividends are to be paid at NT\$1.6 per share for a total of NT\$121,058,784.</p> <p>2. The material information concerning dividends resolved by the board of directors was announced on February 24, 2025.</p> <p>3. To be reported for acknowledgment during the annual general meeting scheduled on May 27, 2025.</p>
		Discussion on the regular assessment of CPAs' independence in accordance with regulations and CPA appointment for 2025.	<p>Resolution passed; implementation status is as follows: CPA Wu Chin-Ti and CPA Chi Chia-Yu were found to have met the independence criteria, and were appointed as financial statement auditors for 2025.</p>
		Discussion on the renewal of expiring banking facilities for May 2025 to April 2026.	Resolution passed and carried out accordingly upon the renewal date.
		Discussion on amendments to the Company's "Corporate Governance Code of Conduct."	Resolution passed; pending approval at the shareholders' meeting on May 27, 2025.
		Discussion on the date, venue, and form of the 2025 annual general meeting.	<p>Resolution was passed to convene the 2024 annual general meeting on May 27, 2025; implementation status is as follows:</p> <p>1. The announcement of the material information was made on February 24, 2025, regarding the time, venue, and agenda of shareholder meeting.</p> <p>2. The announcement was made on March 12, 2025, to accept motion proposals for the current year's annual general meeting from March 21 until 8:00 a.m., March 31, 2025, from shareholders holding more than 1% of outstanding shares.</p> <p>3. Stock Suspension Period: From March 29, 2025 to May 27, 2025.</p> <p>4. Electronic Voting Period: From April 27, 2025 to May 24, 2025.</p> <p>5. Scheduled Shareholders' Meeting: May 27, 2025.</p>

Meeting name	Meeting date	Summary	Resolution and implementation status
2nd board meeting in 2025	April 28, 2025	Review of the Company's 2025 first-quarter consolidated business reports and consolidated financial statements encompassing business investments.	<ol style="list-style-type: none"> <li>1. Resolution acknowledged: To acknowledge the 2025 first-quarter business report and financial statements, which reported consolidated revenue of NT\$639,530,000, net income of NT\$70,197,000, net income attributable to owners of the parent company of NT\$43,899,000, and earnings per share of NT\$0.58.</li> <li>2. The material information was released on April 28, 2025.</li> <li>3. The financial statements were published and forwarded to the Taipei Exchange on May 15, 2025.</li> </ol>

**2.3.10** Documented opinions or declarations made by directors or supervisors against board resolutions in the last year and up until the publication date of the annual report: None.

## 2.4 Information Regarding the Company's Audit Fee and Independence

### 2.4.1 Disclosure of audit fees and non-audit fees paid to the auditors, accounting firm, and affiliated companies, and details of non-audit services.

#### 1. Audit Fee

#### Information Regarding the Company's Audit Fee

Unit: NT\$ thousands

Accounting Firm	Name of CPA	CPA's Audit Period	Audit Fee	Non-audit Fee	Total	Remark
FULFIL & CO., CPAS	Kui-Yu Yen	01/01/2024~12/31/2024	2,510	650	3,160	Other non-audit fees: Including VAT direct deduction attestation fees, corporate income tax and undistributed earnings audit attestation fees, Controlled Foreign Corporation (CFC) income tax attestation fees, and attestation fees for certification of completion of the capital repatriation investment plan.
	Chia-Yu Chi	01/01/2024~12/31/2024				

2. Change of accounting firm that resulted in a reduction of audit fees from the previous year; disclose the audit fees before and after the change and the cause of such change: **None**

3. Any reduction in audit fees by more than 10% compared to the previous year; state the amount, the percentage, and reason for such variation: **None.**

**2.4.2** The audit fees mentioned above refer to fees that the Company pays to financial statement auditors for services relating to the audit, review, and confirmation of financial statements and financial forecasts.

## 2.5 Information on Replacement of CPAs

### 2.5.1 Information regarding the former CPAs :

Date of replacement	Approved by the Board of Directors on February 24, 2025.		
Reason for replacement and explanation	Ful-Fill & Co., CPAs , due to internal staffing adjustments at the firm. Approved by the Board of Directors on February 24, 2025: Starting from the first quarter of 2025, the certified public accountants responsible for auditing and attesting the financial statements will be changed from Mr. Yen, Kuo-Yu and Mr. Chi, Chia-Yu to Mr. Wu, Chin-Ti and Mr. Chi, Chia-Yu.		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Parties		
	Circumstances	CPAs	The Company
	Terminated the engagement	Note.	Note.
	No longer accepted (discontinued) the engagement	Note.	Note.
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	Note.		
Disagreement with the Company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Other
	No	V	
	Specify details		
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	Note.		



### **2.5.2 Information Regarding the Successor CPAs :**

Name of accounting firm	Ful-Fill & Co., CPAs
Names of CPAs	Wu, Chin-Ti, CPA Chi, Chia-Yu, CPA
Date of engagement	Approved by the Board of Directors on February 24, 2025: Starting from the first quarter of 2025, the financial statements will be subject to audit and attestation.
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	Note.
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	Note.

### **2.5.3 Former CPAs' replies to Article 10, Subparagraph 6, Item 1 and Item 2-3 of the Guidelines: None.**

**2.6 Any of the Company's Chairman, President, or manager involved in financial or accounting affairs being employed by the accounting firm or any of its affiliated company in the last year: None.**

**2.7 Details of shares transferred or pledged by directors, supervisors, managers, and shareholders with more than 10% ownership interest in the last year and up until the publication date of the annual report:**

### 2.7.1 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2024		As of March. 31, 2025	
		Holding Increase (Decrease )	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Chiuan-Dau INVESTMENT Co., Ltd.	753,000	0	0	0
	Representative: Chung-Yi Wu	0	0	0	0
Director	(IDEA INVESTMENT Co., Ltd. (Note1)	32,000	0	2,000	0
	Representative: Chung-Ming Wu	0	0	0	0
major shareholder Director	Chiuan-Tai INVESTMENT CORP.	0	0	0	0
	Representative: Kuan- Hsing Wu	0	0	0	0
major shareholder Director	GSK INVESTMENT DEVELOPMENT CORP.	116,763	0	0	0
	Representative: Chung-Wuu Li	0	0	0	0
Director	Fu Yen Investment Co., Ltd.	0	0	0	0
	Representative: Jui-Chang Lin	0	0	0	0
Director	CHING YUAN INVESTMENT Co., Ltd.	0	0	0	0
	Representative: Yen-Hsing Wu	0	0	0	0
Director	Yu-Meu Wu	0	0	0	0
Independent Director	Chia-Chi Kuo	0	0	0	0
Independent Director	Yi-Min Lin	0	0	0	0
Independent Director	Cheng-Shong Hong	0	0	0	0
President	Chung-Ming Wu	0	0	0	0
Vice President	Chin-Tsu Hsieh	0	0	0	0
Manager	Jung-Feng Wu	0	0	0	0
Manager	Chun-Chieh Lin	0	0	0	0
Manager	Neng-Tang Chou	0	0	0	0
Manager	Chia-Che Chang	0	0	0	0
Manager	Ming-Hsing Lin	0	0	0	0
Manager	Jung-Feng Wu	0	0	0	0
Manager	Ya-Ling Huang	0	0	0	0
Financial Officer	Mei-Niang Liu	0	0	0	0

**2.7.2** Information on share transfers where the counterparty is a related party: All counterparties of share transfer are unrelated parties.

**2.7.3** Disclosure of shares pledged to related parties: None.

## 2.8 Relationships characterized as spouse or relative within the second degree of kinship among top-10 shareholders

Name	Number of Shares held		Shareholding of Spouses and Minor Children		Total number of shares held in the name of others		Names and relationships of top-10 shareholders characterized as spouse or relative within the second degree of kinship		Remarks
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Name	Relation	
Chiuan-Tai INVESTMENT CORP..	14,462,693	19.11%	0	0%	0	0%	Chuan Dau Investment Co.,Ltd. GSK Investment Development Co, Ltd. GSK CORPORATION.	Brother of the Chairman Common corporate represent ative Common chairman Common chairman	
Representative: Kuan- Hsing Wu	135,024	0.18%	0	0%	0	0%	MEDCARE MANUFACTURING INC.	Father-son relationship with the Chairman	
GSK INVESTMENT DEVELOPMENT CORP.	10,469,488	13.84%	0	0%	0	0%	Chuan Dau Investment Co.,Ltd. Chuan Tai Investment Co.,Ltd.GSK CORPORATION.	Common chairman Common chairman Common corporate represent ative Brother of the Chairman	
Representative: Chung-Wuu Li	28,948	0.04%	0	0%	0	0%	None	None	
Taiwan Fu Hsing Industrial Co., Ltd.	7,552,867	9.98%	0	0%	0	0%	None	None	
Person in charge: Jui-Chang Lin	0	0%	0	0%	0	0%	None	None	
Chiuan-Dau INVESTMENT Co., Ltd.	7,463,668	9.86%	0	0%	0	0%	GSK CORPORATION. Chuan Tai Investment Co.,Ltd. GSK Investment Development Co, Ltd.	Common chairman Common corporate represent ative Common corporate represent ative Brother of the Chairman	
Representative: Chung-Yi Wu	1,310,631	1.73%	135,024	0.18%	0	0%	GSK CORPORATION. Chuan Tai Investment Co.,Ltd. GSK Investment Development Co, Ltd.	Common chairman Common corporate represent ative Common corporate represent ative Brother of the Chairman	

Name	Number of Shares held		Shareholding of Spouses and Minor Children		Total number of shares held in the name of others		Names and relationships of top-10 shareholders characterized as spouse or relative within the second degree of kinship		Remarks
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Name	Relation	
GSK CORPORATION	2,625,513	3.47%	0	0%	0	0%	Chuan Tai Investment Co.,Ltd. GSK Investment Development Co, Ltd. Chuan Dau Investment Co.,Ltd.	Common chairman Common chairman Common corporate representative Brother of the Chairman	
Person in charge: Chung-Yi Wu	1,310,631	1.73%	135,024	0.18%	0	0%	Chuan Tai Investment Co.,Ltd. GSK Investment Development Co, Ltd. Chuan Dau Investment Co.,Ltd.	Common chairman Common chairman Common corporate representative Brother of the Chairman	
MEDCARE MANUFACTURING INC.	2,069,970	2.74%	0	0%	0	0%	Chuan Tai Investment Co.,Ltd. GSK Investment Development Co, Ltd. Chuan Dau Investment Co.,Ltd.	Brother of the Chairman Brother of the Chairman Brother to the corporate representative Brother of the Chairman	
Person in charge: Tai-Xing Wu	4,000	0.01%	0	0%	0	0%	Chuan Tai Investment Co.,Ltd.	Relative relationship within the second degree of kinship to the representative of the company.	
Yun-Mei Li	1,961,000	2.59%	0	0%	0	0%	None	None	
One- people Li	1,641,000	2.17%	0	0	0	0	None	None	
Sheng-Mei Zhuang	1,460,000	1.93%	0	0	0	0	None	None	
Chung-Yi Wu	1,310,631	1.73%	135,024	0.18%			GSK CORPORATION. Chuan Tai Investment Co.,Ltd. GSK Investment Development Co, Ltd. Chuan Dau Investment Co.,Ltd.	Common chairman Common chairman Common corporate representative Brother of the Chairman	

**2.9 The total number of shares and total equity stake held in any single enterprise by the Company, its directors, supervisors and, managers, and any companies controlled either directly or indirectly by the Company**

**Investment Ownership**

As of 3/31/2025 Unit: shares/ %

Investment (Note1)	Ownership by FBT(1)		Ownership by Directors, Managers and Directly/Indirectly Owned Subsidiaries(2)		Total Ownership (1) + (2)	
	Shares	%	Shares	%	Shares	%
<b>SUPERIORITY ENTERPRISE CORP (Note2)</b>	<b>48,000</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>48,000</b>	<b>100%</b>
<b>PROPITIOUS INTERNATIONAL INC.(Note3)</b>	<b>22,717</b>	<b>55.75%</b>	<b>17,020</b>	<b>41.77%</b>	<b>39,737</b>	<b>97.52%</b>

**Note : 1.long-term investment accounted by the Company using the equity method.**

**2.SUPERIORITY ENTERPRISE CORP is the holding company for indirect investment in China - Suzhou Fine Blanking& Tool Co., Ltd**

**3.PROPITIOUS INTERNATIONAL INC. is the holding company for indirect investment in Vietnam - GSK VIETNAM CO., LTD.**

### III. Capital Overview.

#### 3.1 Capital and Shares

##### 3.1.1.Source of Capital

As of 03/28/2025 Unit: Share/NT\$

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
3.1988	10	2,600,000	26,000,000	2,600,000	26,000,000	Initial share capital	None	None
2.1994	10	5,600,000	56,000,000	5,600,000	56,000,000	Cash capital increase of 30,000,000	None	None
7.1996	10	11,200,000	112,000,000	11,200,000	112,000,000	Capitalization of earnings of 56,000,000	None	None
6.1998	10	26,000,000	260,000,000	19,776,000	197,760,000	Cash capital increase of 60,000,000 and capitalization of earnings of 25,760,000	None	SFC approval reference: (1998)-Tai-Cai-Zheng-(I) No. 103078
9.2000	10	26,000,000	260,000,000	21,753,600	217,536,000	Capitalization of earnings of 19,776,000	None	SFC approval reference: (2000)-Tai-Cai-Zheng-(I) No. 75023
11.2002	10	35,000,000	350,000,000	28,279,680	282,796,800	Capitalization of earnings of 65,260,800	None	SFC approval reference: (2002)-Tai-Cai-Zheng-(I) No. 0910158864
08.2003	10	35,000,000	350,000,000	31,107,648	311,076,480	Capitalization of earnings of 28,279,680	None	SFC approval reference: (2003)-Tai-Cai-Zheng-(I) No. 0920136366
08.2004	10	68,000,000	680,000,000	38,884,560	388,845,600	Capitalization of earnings of 77,769,120	None	FSC approval reference: Jin-Guan-Zheng-I-Zi No. 0930133894
08.2005	10	68,000,000	680,000,000	48,605,700	486,057,000	Capitalization of earnings of 97,211,400	None	FSC approval reference: Jin-Guan-Zheng-I-Zi No. 0940134558
08.2006	10	68,000,000	680,000,000	57,350,000	573,500,000	Capitalization of earnings of 87,443,000	None	FSC approval reference: Jin-Guan-Zheng-I No. 0950129716

09.2006	10	68,000,000	680,000,000	63,600,000	636,000,000	Cash capital increase of 62,500,000	None	FSC approval reference: Jin-Guan-Zheng-I No. 0950129717
08.2007	10	120,000,000	1,200,000,000	69,960,000	699,600,000	Capitalization of earnings of 63,600,000	None	FSC approval reference: Jin-Guan-Zheng-I No. 0960036716
07.2009	10	120,000,000	1,200,000,000	72,058,800	720,588,000	Capitalization of earnings of 20,988,000	None	FSC approval reference: Jin-Guan-Zheng-Fa-Zi No. 0980036723
08.2012	10	120,000,000	1,200,000,000	75,661,740	756,617,400	Capitalization of earnings of 36,029,400	None	FSC approval reference: Jin-Guan-Zheng-Fa-Zi No. 1010034962

As of 03/28/2025 Unit: Share

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stock	75,661,740	44,338,260	120,000,000	

Information on the blanket reporting system : None °

### 3.1.2 .List of Major Shareholders

As of 03/28/2025 Unit: Share/%

Shareholder's Name	Shares	Percentage
Chiuan-Tai INVESTMENT CORP.	14,462,693	19.11%
GSK INVESTMENT DEVELOPMENT CORP.	10,469,488	13.84%
Taiwan Fu Hsing Industrial Co., Ltd.	7,552,867	9.98%
Chiuan-Dau INVESTMENT Co., Ltd.	7,463,668	9.86%
GSK CORPORATION	2,625,513	3.47%
Medcare Manufacturing Inc.	2,069,970	2.74%
Yun-Mei Li	1,961,000	2.59%
Yi-Ming Li	1,641,000	2.17%
Sheng-Mei Zhuang	1,460,000	1.93%
Chung-Yi Wu	1,310,631	1.73%

### 3.1.3 Dividend Policy and Implementation Status

#### 3.1.3.1 Dividend Policy

The Company has been distributing dividends to shareholders in accordance with the terms of the Articles of Incorporation every year since it was listed on the TPEX in 2003.

Dividend policy stated in the Articles of Incorporation:

Profit concluded at the end of a year are subject to employee remuneration of at least 2% and director remuneration of no more than 5%. However, profits must first be taken to offset against cumulative losses if any. Earnings concluded from a financial year are first subject to taxation, makeup of previous losses, and applicable adjustments for undistributed earnings in the current year, followed by provision for statutory reserve and provision/reversal of special reserve. Any surplus remaining will be added to undistributed earnings accumulated from previous years, for which the board of directors will propose an earnings distribution plan and seek resolution in a shareholder meeting before distribution. At least 10% of distributable earnings in a year shall be distributed as dividends, of which no less than 20% shall be paid in cash. However, the board of directors may adjust dividend rules depending on the current year's profitability and capital availability and present the proposal for resolution in a shareholder meeting.

#### 3.1.3.2 Dividends proposed for the current year

The board of directors of our company resolved on February 24, 2025 of the Republic of China to appropriate the undistributed profits as of the end of the 2024 of the Republic of China as follows: Statutory surplus reserve:

NT\$18,507,613, Accumulated translation adjustments on foreign currency-denominated long-term investments overseas: NT\$21,297,355, Cash dividends on ordinary shares: NT\$121,058,784, at NT\$1.6 per share.

Dividends for the last 5 years are explained in the following chart. Earnings per share for 2024 increased by 1.67% compared to 2023, and the dividends per share in 2024 remained the same as in 2023:

Item/Year	2020	2021	2022	2023	2024(Note1)
Earnings per Share (NTD)	1.36	2.40	2.82	2.40	2.44
Cash dividends (NTD)	0.70	1.60	2.00	1.60	1.60
Stock dividends (NTD)	0.00	0.00	0.00	0.00	0.00
Payout ratio	51.74%	66.67%	70.92%	66.67%	65.57%

Note: 1. 2024 dividends are pending approval in the 2025 annual general meeting.

2. A decision was made in July 2020 to distribute additional paid-in capital - share premium in cash at NT\$0.3 per share for a total of NT\$22,698,522.

#### 3.1.4 Impacts of proposed stock dividends on the Company's business performance and earnings per share:

Not applicable as the Company did not issue any stock dividends this year.



### 3.1.5 Compensation of Employees, Directors and Supervisors

**3.1.5.1** Percentage or range of employee/director/supervisor remuneration stated in the Articles of Incorporation: Profit concluded at the end of a year are subject to employee remuneration of at least 2% and director remuneration of no more than 5%. However, profits must first be taken to offset against cumulative losses if any.

**3.1.5.2** Basis of calculation for employee/director/supervisor remuneration and share-based compensation; and accounting treatments for any discrepancies between the amounts estimated and the amounts paid:

The Company allocates employee remuneration at no less than 2% and director remuneration at no more than 5% of current year's profit before tax and employee/director remuneration.

Employee remuneration totaling NT\$12,772,000 and director remuneration totaling NT\$9,196,000 were estimated for 2024 at 5% and 3.6% of pre-tax profit, respectively. These amounts were resolved to be paid in cash or via wire transfer during the board of directors meeting on December 18, 2024, and were included in the financial report for approval by the board of directors on February 24, 2025.

Any significant changes to the amount resolved by the board of directors before the publication date of the consolidated financial statements will be adjusted in the same year the expense is recognized; changes that occur after the publication date of the consolidated financial statements are treated as changes in accounting estimates and adjusted in the following year.

**3.1.5.3** Employee/director/supervisor remuneration passed by the board of directors:

(1) Allocation of director/supervisor/employee remuneration for 2024:

Employee remuneration = pre-tax profit (before employee remuneration and director remuneration) \* 5%;

Director remuneration = pre-tax profit (before employee remuneration and director remuneration) \* 3.6%.

Details of 2024 employee remuneration and director/supervisor remuneration resolved by the board of directors on December 18, 2024, and February 24, 2025, are as follows:

Unit: NT\$

Item	Subject	Amount estimated and recognized as expense for the year	Amount approved by the board of directors	Difference	Cause of difference	Method of distribution
Employee Remuneration	Employees of the Company	12,772,000	12,772,000	0	None	Cash or wire transfer
Directors' Remuneration	Directors of the Company	9,196,000	9,196,000	0	None	Cash or wire transfer
Total		21,968,000	21,968,000	0		

(2) Percentage of employee remuneration paid in shares, relative to net income and total employee remuneration shown in the separate or standalone financial statements:

No employee remuneration was paid in shares in the current year.

**3.1.5.4 Actual payment of the previous year's (2023) employee/director/supervisor remuneration:**

Unit: NT\$

Item	Amount estimated and recognized as expense for the year	Amount resolved by the board of directors	Actual amount paid	Difference	Cause of difference	Method of distribution
Employee Remuneration	12,771,963	12,771,963	12,771,963	0	None	Cash or wire transfer
Director/supervisor remuneration	9,195,813	9,195,813	9,195,813	0	None	Cash or wire transfer
Total	21,967,776	21,967,776	21,967,776	0	—	—

**3.1.6 Buyback of company shares: None.**

**3.2 Bonds : None.**

**3.3 Preferred shares: None.**

**3.4 Global Depositary Receipts: None**

**3.5 Employee Stock Options : None.**

**3.6 New employee restricted shares: None.**

**3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions : None.**

**3.8 Financing Plans and Implementation : None.**

## IV. Operational Highlights

### 4.1 Business Activities

#### 4.1.1 Business Scope

##### 4.1.1.1. Principal business activities.

- (1) Manufacturing and trading of molds and parts.
- (2) Manufacturing and trading of metals and plastic parts.
- (3) Manufacturing of machine tools.
- (4) Import and export trade of raw materials, products, and machinery relating to the above.

##### 4.1.1.2. Weight of consolidated business activities

Item	2024	
	Consolidated operating revenue, (thousands)	Operating ratio (%)
Fine blanking parts	1,006,856	34.61%
Brake discs	706,634	24.29%
Car seats, saddles	1,055,955	36.29%
Others	140,064	4.81%
Total	2,909,509	100%

##### 4.1.1.3. Current products of the Company:

Main business activities of the Company include the design, research, development, production, and sale of metal stamped parts for cars, motorcycles, bicycles, and special vehicles.

##### 4.1.1.4. New product development plans:

###### (1)Automobile parts:

Interior System— Plastic-coated seat belt tongue assembly 、  
Iron shaft.

Drive train— transmission rod assemblies.

###### (2)Scooter and motorcycle parts :

Safety system— brake discs 、 smart disc 、 Forged disc 、  
Induction disc 、 floating disc.

Engine system— chain wheels 、 Stop plate

Transmission system— shock absorber assembly 、 Sprocket

Body system— Bracket 、 Fixing plate.

###### (3)Bicycle parts : brake discs.

###### (4)All Terrain Vehicle (ATV)— A-arm assemblies 、 direction unit.

###### (5)Golf cart— Clutch assemblies 、 paddle assemblies 、 Spring Assembly.

###### (6) Tools and equipment— Fixing plate assembly 、 Gasket 、 Bracket.

###### (7) Personal Watercraft— Steering Mechanism.

###### (8) Server Navigation— Stamped Fasteners.

#### 4.1.2 Industry Overview

##### 4.1.2.1 Current and future industry prospects

Automobile parts vendors can be distinguished by sales channel

into: original equipment manufacturers (OEMs) that supply parts directly to car manufacturers for assembly, original design manufacturers (ODMs) of parts and components, and after-market (AM) manufacturers that supply parts for after-sales service worldwide. In terms of industry structure, parts manufacturing and automobile manufacturing form a typical cluster where the end product producer outsources components from system suppliers (tier 1), which then subcontracts tier 2 and tier 3 suppliers for parts. The Company is a professional OEM of stamped parts for cars, motorcycles, and bicycles, and primarily manufactures assemblies for cars, motorcycles, bicycles, and special vehicles. Below is a list of products manufactured by location:

Vehicle type	The Company	China subsidiary	Vietnam subsidiary
Automobile components/ car door panel (T1 for car seats, T2 or T3 for others)	Seat belt parts, seat recliner assemblies, handbrakes, coupling levers, filler tabs & tappets, pipe fittings, and other precision stamped parts		Car seats, door panels, other precision stamped parts
Motorcycle parts (T1 or T2 supplier)	Stamped parts such as brake discs, cogwheels, frames, paddle assemblies, bracket assemblies, etc.		Stamped parts such as brake discs, cogwheels, saddles, frames, etc.
Bicycle parts (T2 supplier)	Brake discs and others		
Assemblies (T1 or T2 supplier)	Assemblies such as balancing and steering mechanisms, clutches, and brake and paddle systems		

Below is a description of the current state and future prospects of the industry given the Company's location:

#### 4.1.2.1.1.Motor vehicles and parts manufacturing

##### A.Overview of the international market for motorcycles and Parts

According to the Industrial Technology Research Institute's (ITRI) IKE Outlook 2024 series | Global Motorcycle and Electric Motorcycle Industry Review and Outlook data, global motorcycle sales in 2023 reached approximately 59.22 million units, showing a growth of approximately 0.87% compared to around 58.71 million units in 2022.

According to data from sources such as Chesi Culture, Motor Cycles Data, and Taiwan Trade, global motorcycle sales in 2024 have exceeded 60 million units, with the primary

markets concentrated in Asia. The world's top five motorcycle markets—India, China, Indonesia, Vietnam, and Thailand—are all located in Asia. Among them, India and China each recorded over 15 million units sold, Indonesia exceeded 6 million units, while Vietnam and Thailand reached approximately 3 million and 2 million units, respectively.

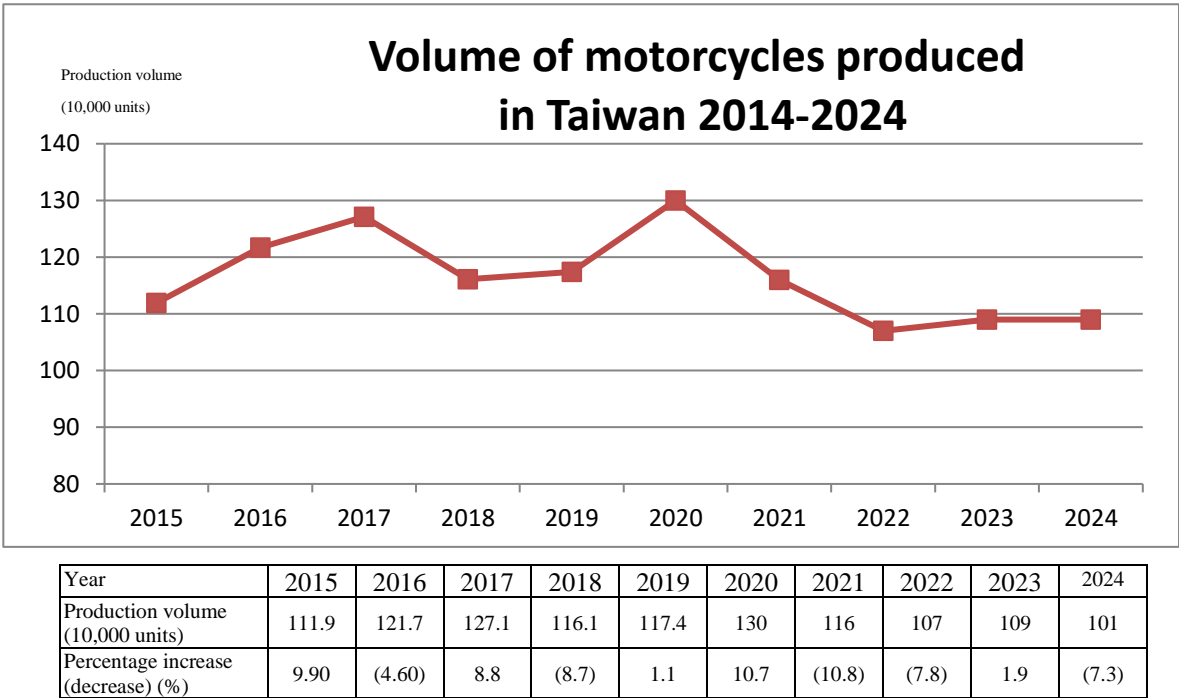
The above statistics indicate that Asia still dominates the world in motorcycle production, and represents the key destinations where Taiwanese motorcycle parts manufacturers should consider establishing factory facilities for a cluster effect.

According to the statistics from the Taiwan Vehicle Industry Association, the domestic sales in Vietnam from 2012 to 2013 were approximately 3.1 million and 2.5 million vehicles, with an export ratio of about 10-20%. The total sales were about 3.5 million and 3.1 million vehicles, respectively. From 2014 to 2019, sales remained above 3 million vehicles. However, due to the impact of the pandemic, sales decreased to approximately 2.68 million vehicles in 2020 and 2.47 million vehicles in 2021. In recent years, the five major manufacturers (Honda, Yamaha, Piaggio, Sanyang, and Suzuki) have continuously expanded their estimated production capacity, leading to a continuous increase in exports to other Asian countries and African countries. According to the Vietnam Express English News report, member manufacturers of the Vietnam Association of Motorcycle Manufacturers (VAMM) collectively sold 2.5 million motorcycles in the Vietnamese market in 2023, showing a year-on-year decrease of 16.2%. According to reports from Motor Cycles Data and Chesi Culture, motorcycle sales in 2024 are estimated to be around 3 million units. Motorcycle sales in Taiwan peaked in 1995 at 1.62 million units (completely built-up; CBU) and have declined since 1996. Domestic sales have been affected by the construction of mass transit systems in metropolitan areas, and have declined consistently by 17.09% from 1.19 million units in 1994 to 750,000 units in 2018. The 700,000 units sold in 2019 represented a further 6.57% decline, whereas the outbreak of COVID-19 in 2020 temporarily increased sales by 33.21% to 938,000 units before falling by 14.72% to 801,000 units in 2021. In 2022, there were approximately 679,000 units, representing a decline of 15.22%. In 2023, the number rose to approximately 817,000 units, marking an increase of 18.27%. In 2024, there were approximately 715,000 units, representing a decline of 12.48%.

Due to the limited size of Taiwan's market, motorcycle manufacturers have been exploring export markets for growth, and are investing pro-actively into the establishment

of production facilities in China and Southeast Asia. The export ratio of complete vehicles decreased from approximately 41% in 2009 to around 32.46%, 36.75%, 25.22% and 29.21% in the years 2021, 2022, 2023, and 2024 respectively.

B.Current state and future prospects of motorcycle and parts in Taiwan.  
Below are the production statistics on two wheelers published by the Taiwan Transportation Vehicles Manufacturers Association:



Source: The Vehicle Industry Monthly  
Note: The production volumes of 1.237 million (2017), 1.089 million (2018), and 1.028 million (2019) mentioned in the monthly periodical all excluded Gogoro; sales data for Gogoro vehicles (34,000, 72,000, and 146,000 units for the respective years) was added to the above chart.

According to the above chart, Taiwan has been producing approximately 1.1 million to 1.2 million CBUs in recent years (except in 2020 due to the outbreak of COVID-19). However, the local market is near saturation due to social changes combined with the fact that Taiwan already tops the world in motorcycle ownership. As a result, the size of domestic demand fluctuated between 600,000 and 700,000 units in recent years, representing only 70% of total production. 2016 and 2017 saw a substantial increase in demand, by as much as 18% and 15.5% to a total of 788,000 units and 910,000 units, respectively, due to the NT\$4,000 commodity tax subsidy from the government and additional discounts offered by vendors. By 2018, domestic sales had fallen to 750,000 units due to weakened performance from the top 3 brands KYMCO, Yamaha, and Sanyang, whereas overseas sales

weight fell from 40% to 30%, and the number of exported units decreased from 570,000 in 2011 to 480,000 (2012), 420,000 (2013), 499,000 (2014), 455,000 (2015), 427,000 (2016), 337,000 (2017), 334,000 (2018), and 324,000 (2019). In 2020 and 2021, the number of units sold increased to 356,000 and 386,000 units, respectively, due to the effect of COVID-19.

In 2022 and 2024, the figures were 394,000 units , 276,000 units and 295,000 units respectively.

Sales of electric vehicles have grown substantially due to the high subsidies offered by local governments. Gogoro, in particular, reported sales of 72,000 units (2018), 146,000 units (2019), 82,000 units (2020), and 77,000 units (2021), representing yearly growth rates of 109.3%, 102.8%, -43.8%, and -6.1%. In 2022 and 2024, sales figures were 66,000 units, 59,000 units and 53,000 units respectively. Due to the impact of climate change and the carbon reduction issue, domestic manufacturers like Kymco have entered the competition in the electric motorcycle market. However, the overall motorcycle market in Taiwan for 2025 is still not optimistic due to the influence of inflation.

C. Between 2005 and 2006, the ongoing trend of globalization prompted Taiwanese motorcycle manufacturers to adopt management strategies of their Japanese counterparts, by transforming domestic facilities into operation centers while leveraging the production advantages of other Asian countries. In the meantime, domestic production has also shifted focus toward different applications such as touring motorcycles, electrical vehicles, and ATVs.

According to a study by the IRK of the Industrial Technology Research Institute, sales of electric vehicles were estimated to have reached one million worldwide in 2018, 80% of which were sold in Asia, and sales are expected to grow at a rate of 10%. In Taiwan, sales of electric bikes had reached a market share of 18.68% by 2019 following a series government subsidies, and are expected to grow further after 2022. In response to this trend, the Company will continue developing parts for green energy vehicles in collaboration with the domestic motorcycle industry, and support their expansion efforts in emerging markets. At the same time, the Company will continue shifting its R&D focus toward “environmental protection, green energy, diversity, and recreational activities” by developing parts for touring motorcycles, green energy vehicles, and ATVs.

#### 4.1.2.1.2. Automobile and parts manufacturing

##### A. Overview of global vehicle sales

According to market intelligence on the global automobile industry published by ARTC and the Taiwan Transportation Vehicles Manufacturers Association for 2006 to 2018, global

vehicle demand reached 96.8 million in 2017, representing 3.1% growth. In 2018, China, being the largest market in the world, saw vehicle demand decline by 4.1% to 23.71 million units, representing the first decline after 28 years, which in turn led to a small decline in global sales to 90 million units between 2018 and 2019. In 2020, vehicle sales fell by 13% to 79 million as COVID-19 induced a global recession, which was followed by a 5% recovery to 83 million units in 2021,

In 2022 and 2023, global vehicle sales were approximately 80.32 million and 88.37 million units, respectively. The figures for 2024 and 2025 are projected to reach 89 million and 91.1 million units.

According to the aforementioned data, the world's top five automobile markets in recent years are, in order: China, the United States, India, Japan, and Germany.

Data published by the Taiwan Transportation Vehicles Manufacturers Association on the automobiles industry shows China having increased automobile production between 2013 and 2021 from 17.93 million, 19.71 million, 21.21 million, 24.38 million, 24.72 million, 23.71 million, 23.71 million, 25.8 million, 25.31 million to 26.08 million units, In 2023, automobile production and sales reached 301.61 million units and 300.94 million units respectively, marking an increase of 8.2% and 9.9% compared to the previous year, In 2024, automobile production and sales reached 30.75 million units and 31.44 million units, respectively, marking an increase of 1.96% and 4.5% compared to the previous year, China remained the largest automobile market globally. With emerging markets such as mainland China and India rising, their share of the automobile market has increased significantly, Taiwan is too small by comparison to reach economies of scale, which is why Taiwanese parts manufacturers have set their primary goals to establishing production facilities overseas for proximity to local markets.

#### B. Automobile and parts industry in Taiwan

Most automobile parts manufacturers in Taiwan first transitioned into the business from the production of motorcycle parts. Following the government's 1958 policy to support the local production of automobiles, Taiwanese car manufacturers have progressively acquired the capacity to develop and produce parts in-house over time, but due to considerations such as car sales, returns on investment, and the technologies involved, most manufacturers eventually outsource the production of their parts to outsiders. As competition intensifies within the automobile industry, parts designers now have to work more closely with parts manufacturers than they ever did before. Taiwan's



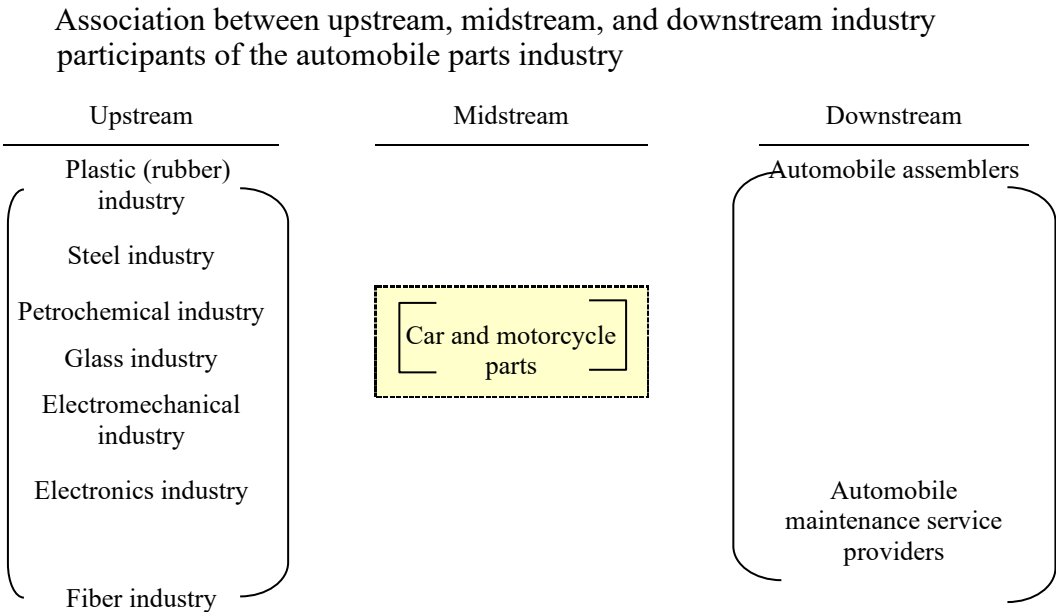
automobile industry has long depended on collaborations with foreign businesses, particularly Japanese companies, as the primary means of technology transfer. These technologies then provide the foundation for the production and assembly of automobiles in Taiwan.

According to Automobile Industry Monthly, car sales in Taiwan grew 0.12% to 341,000 units in 2013 and 10.69% to 378,000 units in 2014; the number then fell from 346,000 (2015), 314,000 (2016), 295,000 (2017), 259 (2018), 252,000 (2019) to 246,000 units (2020), representing declines of 8.41%, 9.28%, 5.90%, 12.43%, 2.7%, and 2.21%, respectively, before recovering by 7.64% to 265,000 in 2021. In 2022, the sales volume was 262,000 units, experiencing a decline of 0.91%. However, in 2023, the sales volume increased to 285,000 units, representing a growth of 8.67%, In 2024, the figure is 275,000 units, representing a decline of 3.60%. Currently there are more than two thousand automobile parts suppliers in Taiwan, and due to the limited size of the domestic market, many have opted to invest in China. Over time, Taiwanese automobile manufacturers have been able to generate yields from their R&D investments, and increase the weight of overseas sales year after year to support other industries. According to Automobile Industry Monthly published by the Taiwan Transportation Vehicles Manufacturers Association, Taiwan exported NT\$194,761,011,000 (2012), NT\$197,874,028,000 (2013), NT\$207,693,818,000 (2014), and NT\$214,466,964,000 of automobile parts, representing 5.40%, 1.60%, 4.96%, and 3.26% growth over the previous years. Subsequently, the export of automobile parts decreased 1.47% in 2016 to NT\$211,312,602,000, increased 1.73% in 2017 to NT\$214,970,596,000, decreased 0.11% in 2018 to NT\$214,723,746,000, increased 0.02% in 2019 to NT\$214,766,621,000, decreased 10.26% in 2020 to NT\$192,723,840,000, and increased 14.58% in 2021 to NT\$220,826,246,000. In 2022, the export value of Taiwan's auto parts will be 229,347,674 thousand, an increase of 3.86% from 2020. In 2023, Taiwan's export value of automotive parts amounted to NT\$225,407,754 thousand, representing a decrease of 1.72% compared to 2022. In 2024, the export value of Taiwan's automotive parts amounted to NT\$228,480,266 thousand, an increase of 1.36% compared to 2023.

#### 4.1.2.2. Association between upstream, midstream, and downstream industry participants:

Automobile parts are supplied to assemblers for assembly into CBUs and to servicing companies for replacement. Parts can be distinguished by material into metal and non-metal items. The production of parts involves an extensive range of industries from petrochemical, glass, steel, rubber, electrical engineering to

electronics. For this reason, the growth of automobile parts manufacturing can be a significant driver of a nation’s basic industries and ancillary industries. Association between upstream, midstream, and downstream industry participants of the automobile parts industry:



4.1.2.3. Product trends and competition:

Most automobile parts produced by the Company are stamped parts, except for car seats, saddles, recliners, balancing mechanisms, clutches, and brake/paddle systems which are assemblies. For this reason, most of the Company’s innovations and research and development efforts have been directed toward stamping technologies and products. Following the integration between European and American automobile manufacturers, parts suppliers, too, will undergo some level of integration where tier 1 suppliers transform into system manufacturers while stamped parts and small assemblies are outsourced instead of being produced in-house. In this respect, Asian manufacturers will be preferred due to cost considerations. When choosing suppliers, automobile manufacturers prioritize quality management, know-how, and resources above all else, and the Company’s ability to produce critical (safety) components in Taiwan puts it in an advantageous position to capture growth opportunities in the future. Furthermore, both the China and Vietnam subsidiaries are starting to produce positive results from serving the local markets.

Automobile demand in China has been a dominant driver for industry growth in recent years. In light of increasing demand for parts, the China subsidiary will focus on the development of precision stamping technologies and the production of parts for local customers. The Vietnam subsidiary, on the other hand, will direct attention toward expanding production capacity in sync with existing customers and in line with motorcycle demands in Vietnam, and aim to supply precision stamped auto parts to ASEAN markets.

Precision stamping will progress in the following directions:

#### 4.1.2.3.1. Equipment automation

The manufacturing industry currently has a shortage of labor and is facing rising wages. Conventional stamping manufacturers that operate at high cost and low efficiency can no longer compete with the rest of the world, and are required to adopt simultaneous, automated stamping processes for increased production capacity, reduced costs, and added value to adapt to market competition. Advancements in computer software, programmable controllers, and precision sensors have enabled high levels of automation for processes from mold design, processing, to visual inspection, thereby making automation the future for stamping factories.

#### 4.1.2.3.2. High-speed production

Efficiency of the stamping process is determined largely by the speed of the stamping press. In order to increase production efficiency, acquiring stamping presses with high stroke counts will be the priority for all industry participants. Advancements in production technology combined with increasing demand from customers have fueled speed and efficiency improvements in high-speed stamping presses. Combined with proper mold design, manufacturers will be able to produce stamped parts at greater speeds in the future.

#### 4.1.2.3.3. Precision and specialized manufacturing

Designs for IT, electronics and transportation products are becoming thinner and lighter, which means that precision stamped parts also have to be shrunk down to be used in high value-added products.

Automobiles use an extensive variety of stamped parts, and the competitiveness of the stamping industry is largely determined by the equipment used, the mold development speed, product quality, and delivery timing. After committing efforts into the acquisition of automated, high-speed, and precision production equipment in recent years, the Company has been able to develop precision parts such as brake discs, filler tabs, seat belts, etc. in its own capacity. In the future, the Company will continue improving its production equipment to produce high precision and high value-added stamped parts for automobiles, and at the same time explore opportunities to expand into other industries such as electronics and mechanical engineering.

### 4.1.3 Research and Development

#### 4.1.3.1. 2024 Consolidated R&D expenses up until the publication date of the annual report

Unit : NT\$ thousands

Item \ Year	2024	Up until 2025/3/31	Remarks
Product R&D expenses	26,251	6,281	R&D expenses presented as operating expense
As a percentage of revenue	0.90%	0.98%	

4.1.3.2 2024 Technologies and products successfully developed (new samples) up until the publication date of the annual report

Product	Purpose
Interior System — Plastic-coated seat belt tongue assembly 、 Iron shaft. Drive train — transmission rod assemblies.	Automobile parts
Safety system — brake discs 、 smart disc 、 Forged disc 、 Induction disc 、 floating disc. Engine system — chain wheels 、 Stop plate Transmission system — shock absorber assembly 、 Sprocket Body system — Bracket 、 Fixing plate.	Motorcycle parts Heavy duty motorcycle parts
Tools and equipment — Fixing plate assembly 、 Gasket 、 Bracket. Golf cart — Clutch assemblies 、 paddle assemblies 、 Spring Assembly. All Terrain Vehicle (ATV) — A-arm assemblies 、 direction unit. Bicycle parts : brake discs. Personal Watercraft — Steering Mechanism. Server Navigation — Stamped Fasteners.	Others Applica

#### 4.1.4 Long-term and Short-term Development

##### 4.1.4.1 Short-term Development

###### 4.1.4.1.1. Branding

- A. Attention will be directed to the development of seat belt components and mechanical parts for cars, and the sale of precision stamped parts for cars, motorcycles, bicycles, and special vehicles with an emphasis on the export market.
- B. Through closer collaboration between the 6 management departments (production, sales, personnel, development, treasury, and IT), the Company will increase interaction with customers to learn changes in market demand for new product development.

###### 4.1.4.1.2. Production policy

- A. Both the 1st Plant and the 3rd Plant will continue incorporating the TPS kanban (visual signals) system into various product lines to reduce production turnaround time and improve delivery efficiency.
- B. Designs such as continuous molds and multi-pressure points will be applied in large-capacity precision stamping presses to increase production capacity and reduce production cost.
- C. Programs such as TPS, TPM, project improvement, and improvement proposals will be implemented on an ongoing basis.
- D. Smart features will be introduced to equipment and production lines for improved production efficiency and product quality.

#### 4.1.4.1.3. Research and development strategies

- A. Improve employees' know-how and management skills and shorten the learning curve through our project management approach.
- B. Create a joint laboratory with China Steel Corporation and consolidate resources throughout the group to develop new materials, optimize the use of raw materials, and improve production procedures.
- C. Company will be committed to innovative research and development with an emphasis on building competitive advantages through intellectual property rights and patent applications.
- D. High value-added products will be developed for cars, motorcycles, and special vehicles.
- E. More intensive training will be introduced for mold designers and high precision molding equipment operators to improve mold development skills.

#### 4.1.4.1.4. Management strategies

- A. Assistance and counseling will be offered to help business partners improve financial health and product quality.
- B. Assistance will be given to develop SOPs for indirect workers, establish career paths for key roles, and build leadership skills among managers so that the Company may adapt to changes and improve competitiveness.
- C. Training will be enforced across all employees to build quality awareness and improve management performance.

#### 4.1.4.2 Long-term Development

##### 4.1.4.2.1 Branding

- A. Gain control of critical technologies, develop advanced products ahead of the market, and increase product added value.
- B. Create a robust supply system in collaboration with upstream and downstream partners; shorten product delivery turnaround time and secure sales orders; and strive to enhance competitiveness.
- C. Promote e-commerce and the use of the Internet in marketing and supplier management for unlimited reach.

##### 4.1.4.2.2. Production policies

- A. Increase the flexibility and automation of the assembly line and the versatility of employees to accommodate the ever-expanding product diversity while at the same time improving production capacity and reducing inventory level and capital requirement.
- B. Make ongoing equipment renewals and acquire high precision equipment and testing instruments.
- C. Enhance the ability to switch between molds and production lines for improved production efficiency and reduced costs.
- D. Continue implementation of TPS and TPM; make ongoing improvements to supply chain integration, and explore further

product benefits.

E. Introduce the manufacturing execution system (MES) to further improve production management efficiency.

#### 4.1.4.2.3. Research and development strategies

A. Shorten the mold and product development cycle and make ongoing improvements to production procedures and technologies to keep up with rapid market changes.

B. Increase R&D and mass production capacity through development of SE, ME, and quality assurance system.

C. Direct the research focus toward automated production, high precision stamping molds, and innovative processes and materials.

#### 4.1.4.2.4. Management strategies

A. Progressively introduce strategic management practices and balanced scorecards with the goal of “creating a top-performing management team”; develop strategic roadmaps for various departments and KPIs for individual employees; aim to grow a management team that focuses on organizational performance and has the ability to respond to changes in the internal and external environment.

B. Enforce supplier management throughout the supply chain; maintain relationships with critical partners; incorporate outsourced processes into internal procedures or consolidate work processes to shorten the production cycle; raise production efficiency and level of cooperation across suppliers.

C. Train management talent; support the performance of overseas subsidiaries by providing them with management and technical guidance; integrate group resources in ways that help expand and improve profitability.

## 4.2 Market and Sales Overview

### 4.2.1 Market Analysis

#### 4.2.1.1 Sales (Service) Region

Unit ; NT\$ thousands

Sales Region \ Year		2022		2023		2024	
		revenue amount	(%)	revenue amount	(%)	revenue amount	(%)
Overseas sales	Europe	61,013	1.94	56,315	1.97	49,782	1.71
	Americas	25,464	0.81	27,211	0.95	27,393	0.94
	Asia	1,709,154	54.41	1,666,421	58.27	1,750,935	60.18
	Other Area	0	0	0	0	0	0
Total		1,795,631	57.16	1,749,947	61.19	1,828,110	62.83
Domestic sales (including traders)		1,345,674	42.84	1,110,093	38.81	1,081,399	37.17
Total		3,141,305	100.00	2,860,040	100.00	2,909,509	100.00

#### 4.2.1.2. Market Share

Due to the fact that no research institution publishes statistics on separate automobile parts, the Company has estimated its market share based on CBU data published by the Taiwan Transportation Vehicles Manufacturers Association.

##### 4.2.1.2.1. Brake Disc

The Company produces motorcycle brake discs mainly at its Taiwan facility and at GSK Vietnam. The performance of the Taiwan and Vietnam production sites is explained below:

##### A.2024 domestic market share for motorcycle brake discs:

Brand	CBU production volume (units)	CBU production volume	Percentage supplied by FBT/GSK	FBT/GSK market share
		Market share (A)	(B)	(C)=(A)×(B)
Sanyang	369,743	36.53%	70%	25.57%
KYMCO	416,345	41.14%	70%	28.80%
Yamaha Taiwan	135,096	13.35%	55%	7.34%
Suzuki Taiwan	16,151	1.60%	0%	0.00%
PGO	13,500	1.33%	50%	0.67%
Gogoro	55,219	5.45%	95%	5.18%
China Motor	6,039	0.60%	0%	0.00%
Total	1,012,093	100.00%	—	67.56%

Source: Production and sales data from the Taiwan Transportation Vehicles Manufacturers Association.

Note: Aeon Motor was excluded from the above chart because the Company was not included in its monthly periodical, made no deliveries, and accounted for an immaterial percentage of sales volume.

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
No. of motorcycles produced in Taiwan (thousands)	1,119	1,217	1,271	1,161	1,174	1,298	1,164	1,070	1,093	1,010
Market share of the Company (%)	75.78%	76.49%	77.03%	74.99%	78.32%	75.21%	72.61%	73.41%	72.60%	67.56%

Source: Taiwan Transportation Vehicles Manufacturers Association (monthly periodical)

Note: Data for 2017-2019 above includes sales volume from Gogoro.

The above chart shows that the Company has secured a market share of at least 60% in Taiwan. Nonetheless, considering that the growth of domestic motorcycle production does not satisfy the Company's growth expectations, the Company has opted to export some of the brake discs it produces to countries such as the USA, France, and Italy. The ability to do so is indicative of how competitive the Company's products are.

##### B. Market share of motorcycle brake discs in the Vietnam market between 2017 and 2024:

GSK Vietnam Co., Ltd. produces motorcycle brake discs and sells them directly or indirectly to Taiwanese and Japanese automobile manufacturers in the local vicinity, such as Honda, Sanyang, Suzuki, Piaggio, and KYMCO. For 2017, with the exception of Yamaha and

Piaggio, to which no deliveries were made, and Suzuki that partially imported its supplies, all other motorcycle brake discs used by the above brands were produced by GSK Vietnam, representing a market share of approximately 70% in Vietnam. As for 2018, with the exception of Yamaha and Piaggio, to which no deliveries were made, and Sanyang and Suzuki that partially imported their supplies, all other motorcycle brake discs used by the above brands were produced by GSK Vietnam, representing a market share of approximately 70% in Vietnam. For the period 2019 to 2024, with the exception of Yamaha and Piaggio, to which no deliveries were made, and Sanyang that partially imported its supplies, all other motorcycle brake discs used by the above brands were produced by GSK Vietnam, representing a market share of approximately 60% in Vietnam.

#### 4.2.1.2.2. Other High Precision Metal Parts

Taiwan has a vast number of precision stamping manufacturers of automobile parts that do not operate as public companies, which therefore makes it difficult to estimate their market share. Throughout the many years in the business, the Company has maintained long-term relationships with its customers by assisting them in the development of precision molds and the production of stamped products, and earned their trust for the quality of designs and products delivered. Since 2000, the Company has acquired orders to produce precision stamped parts for Autolive, the world's largest producer of automobile airbags and seat belts, which proves the Company's ability to produce stamped parts at quality that meet global standards. The volumes of metal seat belt parts produced by the Company and the China subsidiary were reported at 12 million pieces (2018), 10 million pieces (2019), 10 million pieces (2020), 6.5 million pieces (2021), and 6.5 million pieces (2022); compared to global vehicle sales of 95.6 million (2018), 91 million (2019), 79 million (2020), 83 million (2021), 82 million (2022), 88 million (2023), and 89 million (2024), the Company accounted for approximately 1.6-2.5% of seat belts used worldwide.

#### 4.2.1.2.3. Saddles

Saddles are mainly produced at GSK Vietnam Co., Ltd., most of which are sold directly to local Taiwanese and Japanese automobile manufacturers such as Honda, Yamaha, Sanyang, Piaggio, and KYMCO. GSK Vietnam supplies 50-100% of the parts used by the above manufacturers; its market share in the Vietnam market was estimated at 50-60% between 2016 and 2020, From 2021 to 2024, the market share in Vietnam was about 63%, 66%, 72% and 70% respectively.

#### 4.2.1.2.4. Car seats

Car seats are mainly produced at GSK Vietnam Co., Ltd., most of which are sold directly to local car manufacturers such as Honda. From 2021 to 2024, the Company's shipments



accounted for approximately 6% of the total vehicle assembly volume in Vietnam.

#### 4.2.1.2.5. Recliners

Sales of recliners accounted for only 1.19% of the Company's revenue in 2024 due to a change of purchasing order by a foreign customer and slow progress in the expansion of domestic customers. The market share is not analyzed because of its insignificance.

#### 4.2.1.2.6. Gears

The Company produces motorcycle gears not as a regular product but only to accommodate customers' requirements. These products accounted for only 1.12 % of the revenue in 2024, and the market share is not analyzed because of its insignificance.

In summary, our company's motorcycle disc brake discs are the leading manufacturer in both the Taiwan and Vietnam markets. The market share of motorcycle seats in Vietnam exceeds 60%, demonstrating significant competitiveness. Our precision stamped products are also highly acclaimed by world-class manufacturers. Additionally, the sales of car seats are gradually expanding in the Vietnam market.

#### 4.2.1.3. Future market supply, demand, and growth

All of the Company's main product lines including precision stamped parts, recliners, motorcycle brake discs, saddles, car seats, and gears are used in cars or motorcycles. For this reason, explanation is provided using the above distinction:

##### 4.2.1.3.1. Motorcycle parts

###### A. Domestic sales of motorcycle parts:

Taiwan's motorcycle industry is now in stage 5 - International Expansion - where domestic demand accounts for approximately 60-65% and is estimated at 600,000-700,000 units a year (2016 and 2017 saw a substantial increase in domestic demand to 788,000 units and 910,000 units, respectively, due to the NT\$4,000 commodity tax subsidy from the government and additional discounts offered by vendors). Domestic sales in 2020 and 2024 were reported at 938,000 and 801,000 and 679,000 and 817,000 and 715,000 units, respectively; there was no significant change in overall sales volume as increases in domestic sales were offset by decreases in overseas sales. In 2018, the expansion of overseas markets indirectly drove up the demand for motorcycle components sourced domestically, gradually increasing the proportion to over 95%. With the exception of certain engines, transmission systems, and critical components that are still dependent upon imports, almost all of the parts can be sourced from domestic suppliers.

Furthermore, considering how most domestic parts manufacturers have formed a distributed production alliance with motorcycle manufacturers, there is adequate upstream and downstream integration within Taiwan's motorcycle industry to support the needs of the master plant.

In the future, parts manufacturers will cooperate more closely with motorcycle manufacturers to grow exports to emerging markets, and shift R&D focus toward "environmental protection, green energy, diversity, and recreational activities" by developing parts for touring motorcycles, green energy vehicles, and ATVs.

B. Sales of motorcycle parts in Vietnam:

Asia still dominates the world in motorcycle production, and represents the key destinations where Taiwanese motorcycle parts manufacturers should consider establishing factory facilities for a cluster effect.

According to statistics published by the Taiwan Transportation Vehicles Manufacturers Association, automobile manufacturers in Vietnam sold approximately 3.5 million vehicles in 2012 and 3.1 million in 2013; 3.1 million and 2.5 million of which were domestic sales, respectively, while overseas sales accounted for 10%-20%. Sales volumes were sustained at above 3 million units between 2014 and 2019, until the outbreak of COVID-19 reduced sales to 2.68 million in 2020 and 2.47 million in 2021. In 2023, it declined to 2.5 million units, approximately 3 million units in 2024, All of the five top players (Honda, Yamaha, Piaggio, Sanyang, and Suzuki) have expanded production capacity in recent years, which led to increased sales to other Asian countries. The Vietnam subsidiary has maintained good supply relationships with major automobile manufacturers in the vicinity, and increases in their production capacity and demand will be favorable to the Company's growth.

C. Overseas sales of motorcycle parts:

While Taiwan's motorcycle parts manufacturers still enjoy significant technological advantage over their Chinese and Southeast Asian counterparts, much of the future growth is expected to be contributed by emerging Asian markets, and businesses will have to compete more intensively on distributed production and economies of scale. To this end, the Company not only has the potential to grow European and American markets, but is also well-positioned to take advantage of the tax privileges in ASEAN and capture opportunities in ASEAN members through its Vietnam subsidiary

4.2.1.3.2. Car components

A. Domestic sales of car components:

Due to the increasing diversity of vehicles produced and rising quality awareness, most parts manufacturers have

adopted some level of production automation that provides them with the flexibility to make a greater diversity of products in small quantities at quality standards that rival the best in the world. They have also made significant improvements in terms of technological complexity, and are now capable of producing most car components save for a few critical parts. Automobile manufacturing and parts manufacturing form a typical cluster where the producer of the end product outsources components from 1st tier suppliers, which then subcontracts 2nd tier and 3rd tier suppliers for smaller parts, thereby creating a multi-layer, distributed production system. Domestic sales of small passenger cars and commercial cars up to 3.5 tons between 2003 and 2005 was stable at around 400,000 units per year. Sales volume started to fall in 2006-2007 and continued in recent years due to higher imports, which in turn reduced domestic production. Sales volume declined further by 5.8% to 292,000 units in 2017, by 13.14% to 253,000 units in 2018, by 0.76% to 251,000 in 2019, and by 2.21% to 246,000 in 2020 before increasing by 7.64% to 265,000 in 2021. Considering that the production value of the automobile industry as a whole is around NT\$200 billion (statistics published by the Taiwan Transportation Vehicles Manufacturers Association of 2014 to 2021 estimated the production value at NT\$221.6 billion, NT\$208.1 billion, NT\$190.6 billion, NT\$183.1 billion, NT\$166.1 billion, NT\$167.4 billion, NT\$170.5 billion, and NT\$192.1 billion, respectively), parts manufacturing alone cannot support the growth of an automobile industry, no matter how advanced it is in research and development, which is why it must explore exports as an option.

#### B. Overseas sales of car components:

According to statistics published by the Taiwan Transportation Vehicles Manufacturers Association, sales of Taiwanese-made car components had an average growth of more than 10% each year between 1993 and 2004, whereas the percentage of exports relative to total car components sold more than doubled from 38.32% in 1993 to 82.94% in 2004. It was not until 2012 when the rate of growth started to taper. The following chart explains the export value of Taiwanese-made car components between 2012 and 2024:

Unit: NT\$100 million

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Amount	2,145	2,113	2,150	2,150	2,150	1,927	2,208	2,293	2,254	2,285
Growth rate	3.26%	-1.47%	1.73%	-0.11%	0.02%	-10.26%	14.58%	3.86%	-1.72%	1.36%

Note: Source: 1. Information compiled by the Taiwan Transportation Vehicles Manufacturers Association.

According to Automobile Industry Monthly and International Industry Intelligence Report, global car sales were reported at 85 million to 95 million between 2015 and 2019, 79 million in 2020, 83 million in 2021, 82 million in 2022, 88 million in 2023 and 89 million in 2024. After a sustained period of globalization and integration between European and American automobile manufacturers, tier 1 suppliers have gradually transformed into system manufacturers while stamped parts and small assemblies are outsourced instead of being produced in-house, and in this respect, Asian manufacturers are preferred due to cost considerations. Furthermore, given that all of the parts currently needed are of critical (safety-related) nature, automobile manufacturers now prioritize quality management, technology, and resources when choosing suppliers, and Taiwanese automobile parts suppliers happen to offer advantages such as timely delivery, strong development capacity, low cost, etc. while being rigorous with respect to quality and process control, giving them a competitive edge of Chinese suppliers and making them the preferred partners

C. Data published by the Taiwan Transportation Vehicles Manufacturers Association on the automobiles industry shows China's automobile production between 2013 and 2021 reaching 17.93 million, 19.71 million, 21.21 million, 24.38 million, 24.72 million, 23.71 million, 25.8 million, 25.31 million and 26.08 million units. In 2023~2024, production and sales both exceeded 30 million units, making it the country with the highest sales in the world for several consecutive years. In order to seize opportunities in the Chinese car market, domestic related companies are no longer limited to investments in mainland China by Taiwanese parent companies or Taiwanese businessmen. In recent years, they have gradually expanded their market size through strategic alliances or equity swaps, aiming to play an international division of labor role in the global procurement system.

#### 4.2.1.4. Competitive advantages

##### 4.2.1.4.1. Abundant R&D resources

FBT has managed to build strong relationships with upstream suppliers and downstream automobile manufacturers throughout the years. Not only does the Company have access to the resources of GSK Group and Fu Hsing Group accumulated over several decades, it also enjoys advantages in terms of human resources, R&D capacity, production technology, hardware, and management efficiency that make it competitive for the challenges ahead.

- 4.2.1.4.2. Exceptional management team
  - A. Good awareness of market trends and ability to invest in profitable products early.
  - B. Strong R&D capabilities; one of the world's best in precision stamping technology.
  - C. Industry-leading technology in mold design and production.
  - D. Command over multiple core technologies
  - E. A team of highly united talents that demonstrate low attrition rate and industry-leading productivity.
- 4.2.1.4.3. Owns precision testing instruments and automated production equipment.
- 4.2.1.4.4. Accommodates customers' needs - responsive, skilled, and able to deliver exceptional quality.
- 4.2.1.4.5. Strong global reputation and accelerated internationalization of products.
- 4.2.1.5. Advantageous and disadvantageous factors for future development prospects and countermeasures
  - 4.2.1.5.1. Advantageous factors:
    - A. Production activities are increasingly specialized and diversified on a global scale. End product manufacturers now favor outsourcing over in-house production, which presents immense opportunities for automobile and motorcycle parts manufacturers.
    - B. The Company is financially sound and has a good reputation that aids in its new product and new technology development efforts.
    - C. The introduction of TPS and TPM can increase production efficiency, reduce inventory, and build competitiveness.
    - D. Strong management team, agile market response, and high-quality products that are favorable for expanding overseas sales.
  - 4.2.1.5.2. Disadvantageous and countermeasures:
    - A. Risk of exchange rate volatility:
      - a. Foreign currencies are purchased and sold in advance for import and export transactions as a hedging solution.
      - b. The Company aims to exchange currencies at appropriate timing, and has the option to finance raw material purchases by using alternative currencies or making early repayments.
      - c. Globalized purchase: Personnel has been assigned to gather market information on a global scale, so that raw materials of the most suitable quality can be acquired in appropriate quantities at the best price. The group also makes volume purchase to bargain for favorable pricing.
    - B. Shortage of domestic labor supply increases labor costs:
      - a. Foreign labor and temporary labor will be recruited to make up for the basic workforce.

- b. Automated equipment will be used to replace manual tasks for improved efficiency and lower costs.
  - c. Welfare measures will be enhanced to help recruit and retain talent.
- C. Competition of new entrants from emerging markets such as China and India.
- a. Strengthen product R&D capacity as a way to increase the complexity, value, and competitiveness of the products offered.
  - b. Grow the China market in sync with domestic and foreign automobile manufacturers, and expand the scale of operation.
  - c. Grow market presence in ASEAN markets through the Vietnam subsidiary.

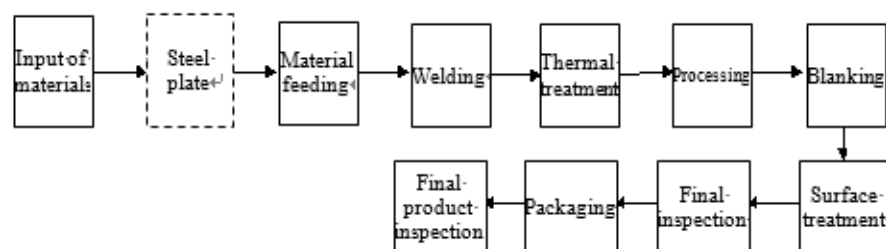
#### 4.2.2. Production Procedures of Main Products

4.2.2.1. The Company mainly produces parts for automobiles; product uses are explained below:

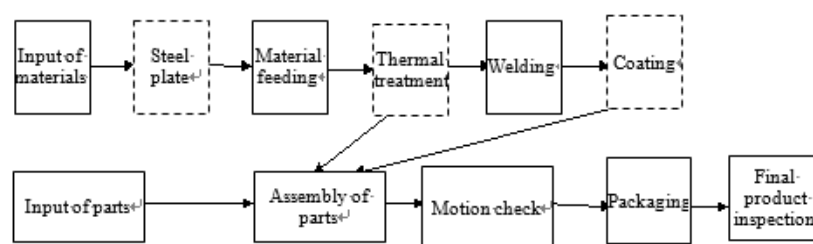
- (1). Recliners : Can be used for car seats in passenger vehicles, forklifts, and special purpose vehicles.
- (2). Brake discs : Brake discs for motorcycles and bicycles.
- (3). Gears : For motorcycle transmission and starter gear sets.
- (4). Fine blanking parts : The product can be used in office machines, home appliances, entertainment goods, communication industry, watchmaking industry, optical instruments, electronics, computer components, automobile industry, etc.
- (5). Seat assy : Used in passenger vehicles, forklifts, and special purpose vehicles.
- (6). Saddle : Used in motorcycles.

#### 4.2.2.2. Production processes:

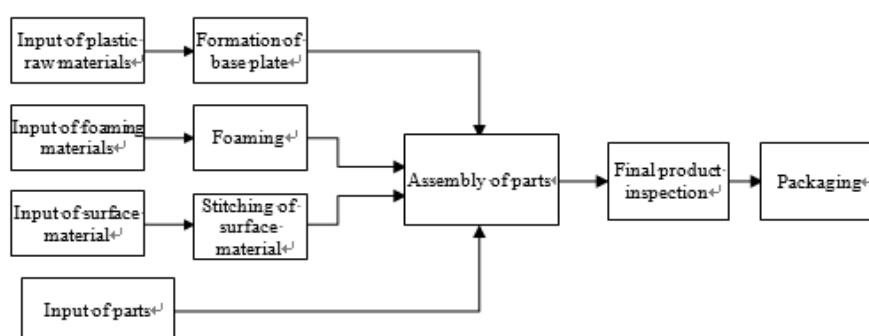
(1) Production flowchart for cogwheels, brake discs, and precision stamped parts:



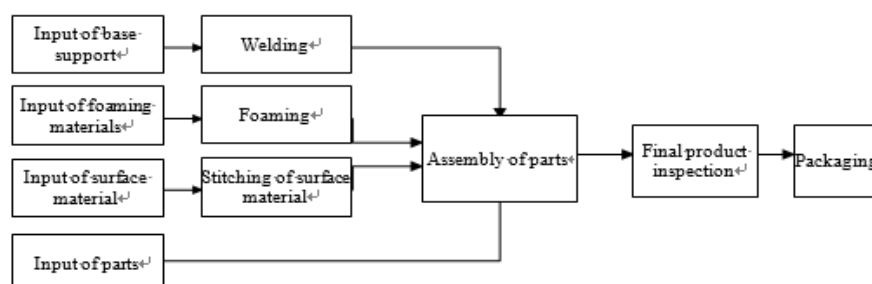
(2) Production flowchart for recliners, sliders, and handbrakes:



(3) Production flowchart for saddles:



(4) Production flowchart for car seats:



### 4.2.3 Supply Status of Main Materials

Our company's main materials are steel sheets and iron sheets, which are used for assembling components such as car seats, motorcycle seats, and recliners. All of the above-mentioned materials can be obtained locally in Taiwan. However, some companies import certain special steel sheets, iron sheets, and chemical raw materials directly from abroad due to considerations of the international situation. The rest are sourced directly from domestic manufacturers or locally in Vietnam or mainland China.

Most raw material suppliers are situated close to the Company's production facilities. This proximity not only allows quick communication and technical support, but also facilitates long-term collaboration with business partners for optimal quality, delivery timing, and cost.

### 4.2.4 Suppliers or customers representing more than 10% of total purchases (sales) in any of the last two years

#### 4.2.4.1. List of suppliers representing more than 10% of total purchases

The Company only had one supplier accounting for more than 10%

of total purchases in 2023,2024 nd the first quarter of 2025; for this reason, we have opted to disclose suppliers ranking top 3 in purchase amounts and relative percentage to net purchase in the respective years.

Unit: NT\$ thousands ; %

Item	2023				2024				Up to the preceding quarter of the current fiscal 2025			
	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 up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
1	HT	491,184	32.02%	None	HT	440,490	28.80%	None	HT	113,526	33.23%	None
2	(US company H)	112,999	7.37%	None	(US company H)	113,497	7.42%	None	(US company H)	25,271	7.40%	None
3	(Japanese company K)	61,497	4.01%	None	(Japanese company K)	91,095	5.96%	None	(Japanese company K)	9,594	2.81%	None
	Other (None exceeded 10%)	868,361	56.60%		Other (None exceeded 10%)	884,510	57.82%		Other (None exceeded 10%)	193,266	56.56%	
	Net Total Supplies	1,534,041	100%		Net Total Supplies	1,529,592	100%		Net Total Supplies	341,657	100%	

A. Cause of variation:

Our Company's main raw material procurement is primarily aligned with customer development at the early stages, either specified or verified by the model. In Taiwan, steel materials are domestically sourced, mainly through intermediaries such as Taihao, Chunyuan, and other suppliers who purchase from China Steel. Internationally, purchases are made from Japanese companies K and T. For assembled parts, components are sourced based on approved suppliers during the development phase. In the Vietnam operation, steel is mainly procured from local supplier HT as per customer specifications. Raw materials for the production of car seats and motorcycle seat cushions are sourced from overseas for certain chemicals, and locally from HT. In the Mainland China operation, steel is primarily procured from local steel mills.

In 2023, 2024, and the first quarter of 2025, the ratio of total net purchases to net revenue was approximately 53.64%, 52.57%, and 53.42%, respectively, which is relatively stable due to the structure of orders and materials used in the products.

- B. Overall, the Company purchases from more than 100 suppliers, most of which are long-term partners; therefore, the supply of goods is deemed stable.
- C. In financial data for the first quarter of 2025 was reviewed and completed by the accountant on April 28, 2025.

4.2.4.2. List of customers representing more than 10% of total sales

The Company had 3 customers that accounted for more than 10% of total sales in 2023,2024 nd the first quarter of 2025; the amounts sold and relative percentage to net sales in the respective years are explained below:



Unit: NT\$ thousand; %

Item	2023				2024				Up to the preceding quarter of the current fiscal 2025			
	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 net sales up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
1	HO	1,045,371	36.55%	None	HO	1,107,569	38.07%	None	HO	259,989	40.65%	None
2	GSK Technologies Inc.	378,375	13.23%	Counterparty's chairperson is the Company's corporate director representative	GSK CORPORATION	463,906	15.94%	Counterparty's chairperson is the Company's corporate director representative	GSK CORPORATION	83,413	13.04%	Counterparty's chairperson is the Company's corporate director representative
3	GSK CORPORATION	346,734	12.12%	Counterparty's chairperson is the Company's Chairman	GSK Technologies Inc.	280,728	9.65%	Counterparty's chairperson is the Company's Chairman	GSK Technologies Inc.	72,836	11.39%	Counterparty's chairperson is the Company's Chairman
	Others	1,089,560	38.10%		Others	1,057,306	36.34%		Others	223,292	34.92%	
	Net Sales	2,860,040	100%		Net Sales	2,909,509	100%		Net Sales	639,530	100%	

A. Cause of variation:

In consolidated net revenue for 2024 increased by 1.73% compared to the same period last year. The overall increase in the amounts and percentages of the top three customers was mainly due to the increase in the amount and percentage from customer HO. The increase in customer HO's sales is attributed to the growth in new car seat mass production orders in the Vietnam region starting from the third quarter of 2023. Customer Quanxing International's decrease in 2024 compared to 2023 is due to a reduction in orders for motorcycle brake discs, snowmobile brake discs, and heavy motorcycle parts from overseas clients. The increase in sales from customer Quanxing Industrial in 2024 compared to 2023 is due to changes in orders for golf cart components. The changes in the first quarter of 2025 are attributed to the order volume changes of 2024 products.

- B. In 2023, 2024, and the first quarter of 2025, only three customers accounted for more than 10% of total sales, and the fact that the Company deals with more than 150 customers shows diversity and minimal risk of sales concentration.
- C. In financial data for the first quarter of 2025 was reviewed and completed by the accountant on April 28, 2025.

### 4.3 Human Resources

Number of employees, average years of service, average age, and academic background in the last 2 years and up until the publication date of the annual report.

**As of March 31 2025**

Year		2023	2024	Current year up until 3/31/2025
Number of Employees	Direct Labor	639	563	526
	Indirect labor	202	217	211
	Sales, administration, and research personnel	195	188	188
	Total	1,036	968	925
Average Age		37.30	37.75	37.74
Average Years of Service		7.08	7.37	7.6
Education	Ph.D	0.10%	0.10%	0.11%
	Masters	0.87%	0.93%	0.97%
	Bachelor's Degree	25.97%	26.76%	27.78%
	Senior High School	42.95%	47.73%	48.65%
	Below Senior High	30.12%	24.48%	22.49%

Note : Information for the current year up to the publication date of the annual report (shows personnel count at the end of the respective periods).

#### **4.4 Environmental Protection Expenditure**

4.4.1 Losses (including compensation) and fines incurred due to pollution of the environment in the last year and up until the publication date of the annual report : None.

4.4.2 Responses to losses and fines incurred due to pollution of the environment and possible expenses : None.

4.4.3 The Company makes ongoing improvements to its environmental safety and health system by adopting the PDCA cycle. Since the implementation of TPM and the creation of a dedicated environmental safety sub-section in 2009, proposals have been raised on a yearly basis to improve the work environment, promote employees' safety and health, and reduce the energy and waste associated with operations. Related expenditures were budgeted at NT\$7.2 million for 2024, and an actual sum of NT\$8.08 million was spent between January and December 2024 on improvements such as resource conservation and waste reduction (Waste recycling saving of materials, use of common materials and molds, reduction of slow-moving materials, mold development and design to save material consumption), replacement of public energy-consuming equipment and improvement of energy consumption, and improvement of equipment pollution prevention and improvement, etc. waste reuse, energy efficiency improvement, and switching from two-time

sandblasting to one-time sandblasting. Approximately NT\$9,437, thousand of environmental protection expenses (excluding administration expenses) are spent each year on the environmental safety and health system for tasks such as environmental safety and health tests, waste clearance, environmental beautification, etc., which is deemed to have yielded significant results.

Item	Description		Amount (NT\$ thousand)		Remarks
1	Pollution control charges	Waste water treatment	1,464	1,617	
		Prevention of soil pollution	14		
		Air pollution control	139		
2	Routine equipment operation and servicing charges		1,997		
3	Environmental protection, treatment, water, and power expenses		800		Estimated value
4	Wastewater fee		1,379		
5	Testing fee		499		
6	External training charges		70		
7	Environmental protection personnel expenses		1,205		
8	Waste disposal charges		1,870		
Total			9,437		

Description: 1. The Company encountered no leaks of pollutants or violations of environmental laws in 2024 that resulted in fines or other forms of penalty.

## 4.5 Labor Relations

### 4.5.1 Availability and execution of employee welfare, education, training, and retirement policies, as well as agreements between labor and management and measures for safeguarding employee rights:

#### 1. Employee Welfare :

- (1) Salary and benefits: The Company recognizes employees as its greatest assets, and strives to provide them with the most competitive compensation in order to attract and retain the best talent while catering to their best interests and maximizing returns to shareholders. Employees' salaries are determined based on education, career experience, professional capacity, and work performance, and differ because of gender, religion, ethnicity, nationality, political association or for any other reason. Salaries, benefits, and employment terms are 100% compliant with local employment regulations and international human rights conventions.

Various operational locations applies the same salary standards for men and women; the ratio of entry workers' standard salary to basic salary and ratio of female-to-male salary were both 1:1.

In 2024 and 2023, the Company's annual average of the number of full-

time employees in non-supervisory positions set by the competent authority at the Company's Taiwan operations decrease by 4 to 337 and 341. The “mean salary” of non-managerial full-time employees was NT\$520,000 and NT\$513,000 in the respective years, representing a NT\$7,000 increased, whereas the “median salary” of non-managerial full-time employees was NT\$471,000 and NT\$464,000, respectively, representing a NT\$7,000 increased.

- (2) Profit sharing: Each operational site allocates year-end bonuses on a monthly basis based on profitability or fixed standards, and distributes them before the Lunar New Year of the following year. The Taiwan operational site allocates employee remuneration on a monthly basis from pre-tax net profit in accordance with the Articles of Incorporation, and distributes it in the following fiscal year.
- (3) Insurance: In addition to participating in social insurance programs mandated by law, such as labor and health insurance, all employees at each operational site are fully covered. The Taiwan operational site allocates the Company also arranges group insurance coverage for all its employees.
- (4) Employee trips: Each operational site the Company organizes annual trips to the outdoors and nature as a way of promoting physical and mental health among employees. Employees are also encouraged to bring along family members to make it a family event.
- (5) Each operational site the Company provides a comfortable dining environment and subsidizes the meal expenses of its employees and employees are handed uniforms.
- (6) Taiwan operational site other benefits:
  - A. Family-friendly Workplace and Parental Leave:  
In promoting gender equality policies and addressing employee needs, as well as fulfilling the commitment to support employees' family life, the company encourages both male and female employees with children under the age of three to take parental leave. In 2024, 5 male and 6 female employees were eligible to apply for parental leave without pay. Of these, no male employees applied, while 5 female employees applied. Among the 5 female employees who applied in 2024, the return-to-work rate was 100%, and in 2023, 2 female employees returned to work, with a retention rate of 100%.
  - B. Festival cash is paid for occasions such as the Dragon Boat Festival, Mid-autumn Festival, and Lunar New Year.
  - C. Employee care: Employees are given congratulatory, compassionate, and subsidy cash for occasions such as weddings, funerals, child births, hospitalization, birthdays, etc.
  - D. An annual celebration is held for Labor Day (May 1st), such as hiking, sports events, a carnival, or a variety show.
  - E. The Company established its Employee Welfare Committee in August 1990. In addition to allocating 1% from capital at the time of initiation, the Company finances the operations of the committee by making monthly allocations at a certain percentage of revenue, employee salaries, and income from scrap.

F. Dormitory facilities are provided for employees from non-local areas.

G. The Company cooperates with merchants to offer discounts and privileges to employees.

2. Providing employees a healthy and safe work environment:

(1) Health protection

The Company recognizes employees as its most important assets and therefore pays particular attention to their health. In addition to arranging regular health checkups in accordance with the Regulations Governing Worker Health Protection, employees below the age of 65 are subjected to general health checkups once every three years while senior managers are subjected to advanced health checkups every two years; both requirements are more favorable than stipulated by laws. Aside from general regular health checkups, the Company also arranges special health checkups regularly every year for employees who are exposed to hazards such as noise, chromium trioxide, dust, nickel, n-hexane, and benzene for compliance with regulations. Employees who come into contact with chemicals are given proper protective gear and are required to observe safety measures. Due to the fact that cleaning naphtha contains n-hexane that poses a health risk, the Company has replaced it with n-heptane alternatives, which are less hazardous. Use ethanol instead of methanol as the solvent for cleaning boards to eliminate hazards associated with reproductive toxicants and substances with specific target organ toxicity. Equipment used in dusty, chromic acid, nickel, and benzene operation sites operations is fitted with ventilation devices to protect employees' health. In addition to protecting workers who are exposed to special hazards, the Company also conducts surveys to identify and monitor those who are prone to cardiovascular disease. Employees aged 45 and above and shift workers are subjected to workload assessment to identify high risk groups; those who are considered to be of high risk or medium risk are referred to physicians.

(2) Response to new communicable diseases

The Company has a dedicated occupational safety and health unit responsible for monitoring new communicable diseases, assessing potential impacts, and devising response plans for the workplace. This response unit has accumulated experience handling the H1N1 flu in 2009 and COVID-19 that still lingers to this date. In the event of an outbreak, the Company observes the control measures announced by the Centers for Disease Control and assembles a "Disease Response Team" immediately to devise response strategies.

These strategies cover knowledge on disease prevention and response, guidelines on medical leave of absence, and placement of alcohol-based sanitizing solutions at appropriate locations.

The committee is also responsible for monitoring medical leave taken by employees and implementing a business continuity plan to address possible shortage of labor.

Relevant epidemic prevention and control measures have been standardized into response procedures. In the event of another emerging infectious disease, the epidemic prevention and control

response procedures will be activated and implemented.

(3) Health consultation

The Company has engaged an occupational safety and health specialist to perform services on-site on a monthly basis and commissioned professional nurses to be stationed at plant premises since June 2012. Arrangements were made to have physiotherapists perform monthly service on-site starting from March 2017, and to have psychologists provide mental counseling on a monthly basis starting from August 2017.

Based on the outcomes of employees' health checkup, plant nurses take the initiative to arrange appointments with physicians, physiotherapists, and psychologists using the health management platform. A total of 331 arrangements were made in 2024 to provide services for hearing protection, abnormal work load, maternity protection, ergonomics, injury/illness care, general consultation, physiotherapy, mental counseling, and other service items.

(4) Workplace health

With respect to workplace health, the Company has weighing scales, blood pressure monitors, and measuring tapes available that employees can use to assess health conditions on their own. Nursery rooms have been established to cater for employees' breastfeeding needs, for which the Company was awarded the Award of Excellence in the Factory Division during Changhua County's user-friendly nursery room competition in 2016. Additionally, in year 2023, we obtained certification for the Changhua County Breastfeeding-Friendly Room (for the period from 2023 to 2026). Furthermore, automated external defibrillators (AEDs) are installed throughout the premises for unforeseen emergencies, while anti-smoking campaigns and weight management activities are held at all plant sites.

(5) Voluntary health management and health promotion activities

The Company organizes various health promotion activities from time to time, for it accepts health promotion as a part of its culture. From daily morning exercises, monthly voluntary weight, blood pressure, and waist circumference measurements to quarterly health promotion games such as sport stacking, with a total of 3,153 participants in 2024. Quarterly, we organize health promotion series events with different themes these activities help alleviate stress, promote health, and we provide incentive mechanisms to encourage employee participation. Each month, during our company-wide regular meetings, outstanding winners of these activities are recognized. Every year, we organize employee trips, Happy Blood Donor events, year-end parties, and activities for International Workers' Day.

(6) Health and safety education

Safety and health courses are arranged for new and current employees every year to improve their basic knowledge of work safety (Including courses on hearing protection, physical and mental stress relief, and prevention of unlawful harm). We have implemented a health information system since 2016 and continuously optimized the new version of our health management platform. We continue to establish

another interactive platform with employees, providing e-health information, e-health self-management, health check inquiries, epidemic prevention information, and health promotion messages, among others. This strengthens employees' awareness of epidemic prevention and health. The system is connected via the intranet and designated area Wi-Fi, with employees logging in with personal accounts and passwords to ensure data protection and information security.

(7) Healthy workplace certification

The Company has a Safety Management Office that applies for healthy workplace certifications. In addition to receiving the “Badge of Accredited Healthy Workplace” from the Health Promotion Administration (valid from November 1, 2012, to December 31, 2015), the Company also won the “Group Health Award” from the Health Promotion Administration for 2012 on December 19, 2012. In 2015, 2018, 2021, and 2024, the Company applied for and was awarded the “Badge of Accredited Healthy Workplace” by the Health Promotion Administration, Ministry of Health and Welfare, on all occasions (the certificate has a validity period of 3 years, starting from January 1, 2016, and ending on December 31, 2027).

Participating in the Ministry of Labor's Occupational Safety and Health Administration Workplace Health and Safety Sustainable Development Program, we were honored as a distinguished enterprise in the "Emerging Model Award for Sustainable Health Workforce in 2024" and recognized as an outstanding company in the "Proactive Evaluation of Occupational Health and Safety Indicators in Corporate Sustainability Reports" for the year 2023.

(8) Safety and health certification

The Company has been persistent in the enforcement of the occupational safety and health management system, for it respects workplace safety as a primary goal for business continuity. Since passing certification for TOSHMS (CNS 15506) and OHSAS 18001 in 2009 (followed by the revised version of ISO 45001/CNS 45001 in May 2019), passed the ISO 45001:2018 recertification audit in 2024, the Company has continued to ensure the safety of its work environment by enforcing system standards.

(9) Safety inspections, education, and training

In addition to hosting Occupational Safety and Health Committee meetings at least once every three months, the Company also convenes monthly “Environmental Safety Meetings” in accordance with Article 12 of the Regulations Governing Occupational Safety and Health Management that involve workers’ representatives from all departments. Representatives have been appointed to inspect their designated environments for any lack of safety, unsafe conduct, or other related issues and to present them for review and improvement during meetings. Meanwhile, occupational safety and health-related information is provided over the digital learning platform and the e-bulletin.

In addition to conducting environmental self-inspection on a yearly basis, the Company also engages external service providers to perform environment tests and to inspect hazardous machinery and equipment on a regular basis. Close calls and safety practices are reviewed on a monthly basis to ensure the safety of workers in the work environment. Aside from mandatory safety and health training, the Company also held regular drills in 2024 to rehearse proper handling and response for a total of 13 situations.

Furthermore, the Company takes part in the regional defense system of Chuansing Industrial Park and is a member of the Central Taiwan Toxic Substance Defense Organization. Through regular meetings and drills, the Company ensures that its own defense team is kept up-to-date on the latest information.

In response to frequent reports of casualties caused by fire incidents in the news, we have increased emergency evacuation and escape training to instill correct evacuation concepts among personnel. This ensures that all personnel in each factory can evacuate promptly and retreat to safe areas to take headcounts.

(10) Equipment Safety Management:

We conduct equipment classification management and legally list and outsource inspections for hazardous machinery and equipment, ensuring safe operation. In 2024, the hazardous machinery of the company underwent regular inspections in accordance with the "Regulations for Inspection of Hazardous Machinery and Equipment," ensuring safe equipment operation.

(11) Safety and Health Performance:

In 2024, the company had zero cases of occupational accidents (excluding commuting incidents) and zero cases of occupational diseases.

3. Employee training and career development

(1) Employee training

The Company commits significant efforts to the planning and implementation of a robust training system, and trains its employees in accordance with TTQS principles. It is our hope to train employees in ways that contribute to the Company's competitiveness and allow them to advance through their careers for mutual benefit.

The Company offers a broad diversity of learning channels and resources from on-the-job training and work guidance to environmental safety and health training that employees may take advantage of depending on their work requirements, performance evaluation, and career development needs. Employees are able to improve personal skills using the diverse training resources that the Company has made available to them, and indirectly affect the learning culture within the organization. In terms of skill development, the Company adopts a systematic approach to help employees learn and familiarize themselves with the skills that they are expected to master for their given role. Through training, we not only improve employees' work efficiency and raise their understanding of the duties borne, but also promote their awareness toward the environmental safety and



preventive measures related to their own duties. 117 employees of the Company hold a total of 219 professional certificates for various roles such as safety manager, crane operator, forklift operator, etc.

Below is a summary of the training courses organized in 2024:

Course category		Course count	Training hours	Enrollments
Administration		102	3,592.0	1,053
Role-specific	Finance and Administration	77	664.0	239
	Marketing and Sales	23	339.0	96
	Procurement	19	225.0	61
	Production Management	45	819.0	586
	Research, development, and quality related	88	2,166.0	467
	Technical	173	3,837.5	2,690
	Auditing	26	608.0	223
Corporate Governance – Board of Directors and Supervisors		8	68.5	22
Information Technology		24	901.0	426
General		17	597.5	391
Environmental safety		77	4,088.5	2,171
Total		679	17,906.0	8,425

In addition, we adopt the practice of keeping internal documents on knowledge gained through organizational learning. Between 2020 and 2024, we added a total of 174, 134,136,156 and 130 documents to the knowledge base.

## (2)Employee career development

Our company conducts annual training plans based on the results of skills gap analysis, continuously providing on-the-job training for employees. Each year, we distribute "Human Resources Survey/Individual Skill Assessment Forms" to register newly added online training items for employees and assess their proficiency. This serves as a reference for training adjustments and records individual training effectiveness, allowing us to review employees' future career development capabilities.

The Company provides a diverse range of training courses that employees may take advantage of for career development. Completion of training courses is associated with and taken into consideration for future promotions. For examples include presentation skills, time management, basic leadership training, team cohesion and

communication, problem analysis and solution application, Excel business data analysis, workflow improvement and efficiency enhancement, customer relationship management, project planning and management techniques, and practical approaches to performance reviews and performance improvement. These are used as criteria for evaluating promotions to section chief or specialist positions.

#### 4. Comprehensive pension system:

- (1) The pension scheme that the Company has introduced in accordance with the “Labor Standards Act” is a defined benefit plan. According to the pension plan, employees’ pension benefits are calculated based on the number of years in service and the average salary in the six months leading up to their retirement. The Company makes monthly pension contributions for the above benefit payments based on actuarial calculation. All contributions are handed over to the Labor Pension Supervisory Committee, which then deposits them into an account held with Bank of Taiwan in the committee’s name. In July 2023, the Company, in accordance with the Labor Standards Act and the Labor Pension Act, reached an agreement with employees under the old pension system to settle their years of service under the old system. Approval letters from the Trust Department of Bank of Taiwan were obtained in August and September 2023.
- (2) Since July 2005, when the government implemented the new labor pension system in Taiwan, the Company has established an employee retirement plan in accordance with the Labor Pension Act, which is classified as a defined contribution plan. The Company contributes 6% of each employee’s monthly salary to their individual pension account with the Bureau of Labor Insurance. Employees may also voluntarily contribute an additional 0% to 6% of their monthly wages. As of the end of 2024, 70 employees have opted for voluntary contributions under the new pension system, accounting for 23.65% of all employees under the new scheme. For the year 2024, the recognized pension contribution amount under the new system was NT\$7,829 thousand. Additionally, the Company’s Vietnam and China operations are required to contribute to pension funds for local employees based on specific percentages of monthly salary totals, in accordance with relevant local regulations. The amounts of pension cost that the consolidated entity recognized as expenses in the consolidated statement of comprehensive income for 2024 and 2023 in accordance with the above rules are as follows:

Items	2024	2023
Defined contribution pension expense	\$ 11,468	\$ 11,377

#### 5. Enforcement of labor agreements and employee rights:

Based on a people-oriented and harmonious team corporate culture, we prioritize giving full respect and daily care to our colleagues, maintaining a harmonious working environment between labor and management. Here are the agreements and measures regarding employee rights and interests:

- (1) Labor Union and Collective Agreement:  
Our Taiwan operations do not have a labor union or a signed collective agreement. Although our operations in mainland China have established a company union, no request for a collective agreement has been made to date. In Vietnam, to stabilize labor-management relations, both parties uphold the spirit of labor-management autonomy and integrity. They negotiate on labor-related matters such as labor conditions, welfare measures, occupational safety, internal complaint mechanisms, union operations, and the use of company facilities. A collective agreement was signed on July 1, 2024, effective until June 30, 2025, for a total of one year. This agreement includes provisions that are superior to labor laws, such as assistance for laborers in poor family conditions and assistance for laborers from remote areas to return home for the New Year.
- (2) Respect for Human Rights:  
We uphold the core value of "Happy Growth" and support the principles of the United Nations Universal Declaration of Human Rights (UDHR) and relevant international human rights concepts. We comply with the laws and regulations of the countries where our operations are located and treat all employees with dignity and respect. We conduct diverse human rights protection training courses, implement practices for human rights protection, and provide communication channels for employees on human rights concerns. We adhere to various labor laws and regulations.
- (3) Ethical Guidelines and Policies:  
The company has established ethical codes of conduct for directors and managers, as well as rules and regulations for workplace conduct, safety and health guidelines, measures for preventing sexual harassment, complaint procedures, and disciplinary measures. We implement these to protect the basic rights of our employees.
- (4) Labor-management meetings and Employee Welfare Committee meetings  
The Company convenes regular labor-management meetings in accordance with the "Labor Standards Act" and holds quarterly Employee Welfare Committee meetings in accordance with the "Employee Welfare Management Policy." For both the labor-management meeting and the Employee Welfare Committee meeting, each department is required to elect representatives to represent the department's employees and communicate on welfare-related matters on their behalf.  
The Company ensures 100% protection of employees' rights; employees are free to decide whether to participate in various activities organized by the Company, such as trips and health promotion programs. Employees are able to express any opinions through representatives during labor-management meetings and Employee Welfare Committee meetings. There were no violations against freedom of association or collective bargaining in 2024.
- (5) The Company regularly conducts environmental and workplace inspections in accordance with the Occupational Safety and Health

Management Plan, promotes self-care systems, responsibility care systems, subcontractor management, toxic chemical management, and transportation safety management, and organizes emergency drills as part of its daily operations. Through the systematic implementation of the PDCA (Plan-Do-Check-Act) cycle, the Company continuously improves its operations. In addition to meeting legal and customer requirements, the Company sets multiple environmental, safety, and health objectives, targets, and action plans each year through environmental assessments, hazard identification, and other system operations to achieve continuous improvement. Various measures for hazard prevention are implemented for employees, with the ultimate goal of achieving zero work-related injuries.

- (6) The Company values customer privacy protection and complies with the Personal Data Protection Act. In May 2014 (Year 103 in the ROC calendar), the Company established a Personal Data Protection Team (PDPT), composed of employee representatives from various departments. The team is responsible for formulating personal data protection policies, conducting regular data inventory and risk assessments, and performing internal audits annually. The scope of the policies covers operations in Taiwan, as well as customers and suppliers.

If any complaints are received from customers or data subjects regarding personal data, the responsible department head fills out the "Personal Data Incident Notification and Handling Form," and the PDPT follows up with evaluation, monitoring, and verification of corrective actions. The incident is then submitted to the management representative for approval. A report is presented at the next management review meeting.

The Company's personal data protection management system operates continuously based on the PDCA (Plan-Do-Check-Act) cycle. In 2024 (Year 113 in the ROC calendar), there were no incidents involving the leakage, theft, or loss of employee or customer data, nor were there any complaints or grievances from employees or customers regarding such issues.

As of 2024, the Company has accumulated the following quantitative data related to the personal data protection policy:

A total of 440 employees have completed personal data protection training, the total training hours amount to 602 hours, the pass rate for post-training assessments is 100%.

#### **4.5.2 Actual or estimated losses as a result of employment disputes in the last year and up until the publication date of the annual report, and any response measures taken:**

Our company did not incur any labor disputes or losses as of the publication date of the 2024 annual report

1. Losses as a result of employment disputes in the last year and up until the publication date of the annual report: None
2. Current or potential future losses and response measures: None.

## 4.6 Cybersecurity management

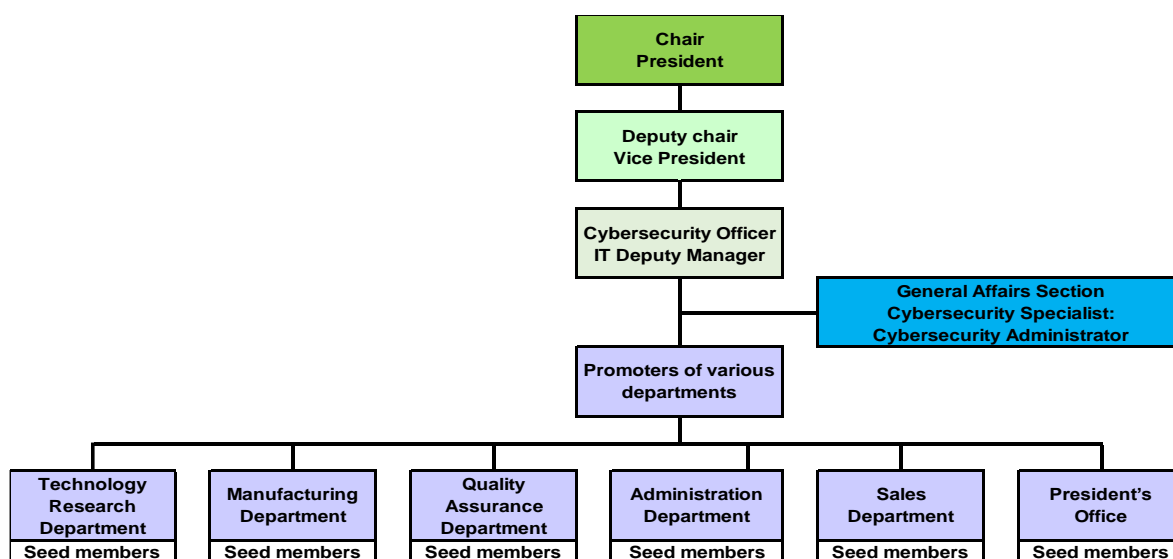
### 4.6.1 Explain the cybersecurity risk management framework, cybersecurity policy, management practices, and resources committed to cybersecurity.

#### 1. Cybersecurity risk management framework

The Company has a Risk Management Committee that conducts risk assessments on a yearly basis. In August 2018, the Company started taking into consideration the possibility of malfunctions in the information system as well as the risks posed on manufacturing activities, accounting, etc. and the additional costs associated with response measures, and therefore assigned the IT Department to schedule inspections and servicing of information equipment ahead of time while adopting enhanced cybersecurity protection measures. Management goals to improve the efficiency of information management, and regularly review and control the performance of the management target.

The Company has implemented standard procedures such as “Information Process Management,” “Portable Storage Media Management Policy,” “Email Procedures,” etc. to serve as guidance for application development, data access, backup practice, protection against viruses and intrusions, use of UPS in server rooms, premise access, use of portable hard drives and thumb drives, and email access control. Control measures have been adopted in accordance with the standard procedures with access controls duly enforced to ensure information security in business activities and services.

In January 2022, the Company amended its “Organizational Resource Management Policy” in an attempt to introduce systematic practices for cybersecurity management, and at the same time established a Cybersecurity Management Committee comprising the President as the chair and the vice president as the deputy chair. Meanwhile, the IT deputy manager and administrator of the President’s Office have been designated the cybersecurity officer and cybersecurity specialist, respectively. To lead and maintain the implementation of information security policy, the organizational chart of the Information Security Management Committee is as follows:

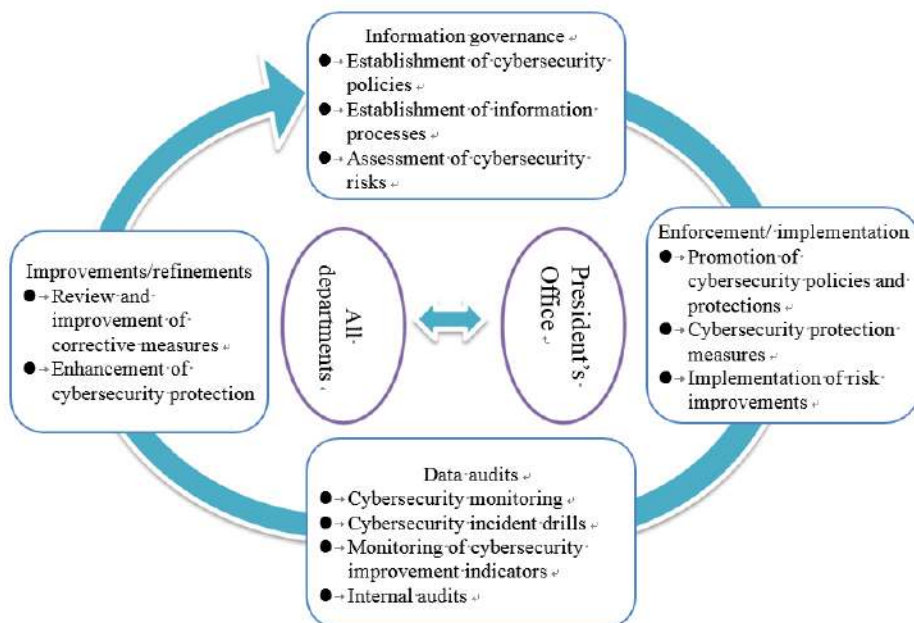


2. The Company has devised the following cybersecurity policy as part of its “Information Process Management”:

The Company is a manufacturer of parts for automobiles and bicycles. The following policy has been created to protect the information system against unauthorized access, control, and any form of harm while ensuring the confidentiality, integrity, and usability of information held in possession, with which all employees shall duly comply:

- The Company shall comply with the government’s cybersecurity regulations and requirements.
- Controls shall be established to prevent unauthorized access to systems and networks.
- Appropriate information software and hardware shall be provided to sustain the normal operations of the Company.
- A data backup system shall be established and the usability and correctness of the data recovered shall be validated.
- Cybersecurity protection measures shall be implemented to prevent against virus and hacker attacks.
- A cybersecurity incident reporting system shall be established to reduce impact on the Company’s operations.
- Employees shall be subjected to cybersecurity training to enhance their cybersecurity awareness.

3. Flowchart of cybersecurity risk management and ongoing improvements



#### 4. Management solutions

Management solution		Implementation status in 2024
Internet security	<ul style="list-style-type: none"> <li>● Enhancement of network firewalls and access control; prevention against spread of computer viruses across terminals and plant premises</li> </ul>	<ul style="list-style-type: none"> <li>● Firewalls have been created for real-time monitoring; all abnormal findings are reported and eliminated immediately</li> </ul>
device security	<ul style="list-style-type: none"> <li>● Vulnerability detection and intrusion tests at least once every two years</li> <li>● Antivirus measures are installed according to computer types to detect malware</li> </ul>	<ul style="list-style-type: none"> <li>● In 2024, vulnerability detection and penetration testing were conducted.</li> <li>● Weekly virus definition updates and scans.</li> </ul>
Strengthening of information	<ul style="list-style-type: none"> <li>● Encryption and effective tracking of documents and data</li> </ul>	<ul style="list-style-type: none"> <li>● Access rights have been configured according to departments and duties</li> <li>● Email access uses permission management</li> <li>● Management of portable hardware and thumb drive use</li> </ul>
Education Training and Advocacy	<ul style="list-style-type: none"> <li>● At least one cybersecurity awareness promotion per department per year</li> <li>● At least one cybersecurity emergency response drill a year</li> </ul>	<ul style="list-style-type: none"> <li>● Cybersecurity awareness was promoted to an audience of 150 in 2024</li> <li>● Response drill for intrusion of information system was held in May 2024.</li> </ul>

#### 5. Commitment of cybersecurity management resources

- (1) Human resources: The Company's cybersecurity team comprises a total of 23 members including the chair, deputy chair, cybersecurity officer, cybersecurity specialist, department promoters, and seed members.
  - (2) Cybersecurity equipment: Firewalls, antivirus software, automated network defense, mail filter, proprietary applications, data controls, portable media control, access control, password management, backup systems, and cloud backup have been implemented.
  - (3) The server room is protected with physical access control and uninterrupted power supplies.
6. Despite having implemented the above procedures and a multitude of cybersecurity protections, there is no assurance that the computer systems used for vital operations such as manufacturing and accounting can be totally free of DDoS attacks from any third parties.
- The Company will continually review and evaluate IT-related standard

procedures to ensure that they remain appropriate and effective. By having internal departments conduct cybersecurity training at least once a year, the Company hopes to promote cybersecurity awareness as well as proper conduct among department users, and remind them not to open files from unknown sources, not to install software of unknown origin, and not to open suspicious links. To improve the security ability of users in various units to identify information and good operating habits Regular drills are held to simulate intrusion and recovery of the information system, and based on the review of the drill performance, the Company may consider making amendments to existing procedures and adding hardware as necessary to reduce the risk of illegal intrusion.

- 4.6.2** Losses as a result of major cybersecurity incidents in the last year and up until the publication date of the annual report, and possible impacts and response measures; state the reasons if losses cannot be reasonably estimated:  
The Company encountered no major cybersecurity risks up until the publication date of the annual report.

#### 4.7 Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Golf organization membership	South Peak International Co., Ltd.	March 26, 2009 ~	Golf membership	None
Installation of solar power equipment	Weihaio United Co., Ltd.	October 25, 2019 ~ October 24, 2039 (Facility I)  October 25, 2019 ~ October 24, 2039 (Facility III)  November 22, 2019 ~ November 21, 2039 (Facility II)	The rooftop area has been leased out for the installation of solar power equipment	The lease has a term of 20 years; in the event of early termination, the Company is required to compensate the lessee for the loss of electricity income.



## V. Review of Financial Conditions, Operating Results, and Risk Management

### 5.1 Analysis of Financial Status

#### 5.1.1 Main causes for material changes in assets, liabilities, and shareholders' equity in the last two years, and their impacts:

Unit: NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	2,067,709	2,231,220	163,511	7.91%
Property, Plant and Equipment	1,033,638	1,002,721	(30,917)	-2.99%
Right-of-use assets	42,998	44,917	1,919	4.46%
Intangible assets	18,074	21,100	3,026	16.74%
Other Assets	111,472	60,035	(51,437)	-46.14%
Total Assets	3,273,891	3,359,993	86,102	2.63%
Current Liabilities	465,190	436,808	(28,382)	-6.10%
Long-term Liabilities	25,478	32,052	6,574	25.80%
Total Liabilities	490,668	468,860	(21,808)	-4.44%
Capital stock	756,617	756,617	0	0.00%
Capital surplus	150,801	150,801	0	0.00%
Retained Earnings	1,629,379	1,693,399	64,020	3.93%
Exchange differences on translation of foreign financial statements	(80,932)	(59,634)	21,298	26.32%
Non-controlling interests	327,358	349,950	22,592	6.90%
Total equity	2,783,223	2,891,133	107,910	3.88%

#### Analysis of Significant Changes:

##### 1. Intangible Assets Increase :

The net amount of computer software and goodwill increased by NT\$2,929 thousand and NT\$97 thousand, respectively, compared to the previous period.

##### 2. Decrease in Other Assets:

Deferred income tax assets, prepaid equipment expenses, and other non-current assets - other decreased by NT\$2,139 thousand, NT\$23,709 thousand, and NT\$25,591 thousand, respectively, compared to the previous period. Deposits received increased by NT\$2,000.

##### 3. Increase in Non-current Liabilities:

Deferred income tax liabilities, non-current lease liabilities, and deposits received increased by NT\$4,120 thousand, NT\$2,300 thousand, and NT\$154 thousand, respectively, compared to the previous period.

4. Increase in Foreign Exchange Differences in Financial Statements of Overseas Operating Entities: This increase is primarily attributed to the appreciation of the US dollar throughout 2024, affecting the translation of subsidiary financial statements.

Note: Other items with changes of less than 10% or with an absolute change amount of less than \$1,000 thousand are not analyzed.

#### 5.1.2 Description of response plans to changes with significant impacts: Not applicable as there was no significant impact on the financial position.

## 5.2 Analysis of Financial Performance

### 5.2.1 Main causes for significant changes in consolidated operating revenue, operating profit, and pre-tax profit in the last two years, and their impacts:

Unit: NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Net Sales	2,860,040	2,909,509	49,469	1.73%
Gross Profit	566,577	567,142	565	0.10%
Operating Expenses	233,156	233,489	333	0.14%
Operating Income	333,421	333,653	232	0.07%
Non-operating income and expenses	39,449	63,598	24,149	61.22%
Income Before Tax	372,870	397,251	24,381	6.54%
Tax expense (income)	99,787	109,056	9,269	9.29%
Net income	273,083	288,195	15,112	5.53%
Other comprehensive income (income after tax)	(23,248)	27,059	50,307	216.39%
Total comprehensive income	249,835	315,254	65,419	26.18%
Net income attributable to shareholders of the parent	181,424	185,076	3,652	2.01%
Net income attributable to non-controlling interest	166,412	206,374	39,962	24.01%

Analysis of changes in financial ratios:

1. Increase in Non-operating Income and Expenses:

The increase was mainly due to a net gain in foreign exchange of NT\$27,058 thousand, a net increase in interest income and expenses of NT\$5,472 thousand, and an increase in rental income of NT\$1,323 thousand. In addition, impairment loss decreased by NT\$128 thousand. However, other income (expenses), net, decreased by NT\$9,201 thousand, and the gain (loss) on disposal of property, plant and equipment, net, decreased by NT\$631 thousand.

2. Increase in Other Comprehensive Income (Net of Tax) for the Current Period:

The increase was mainly due to the appreciation of the U.S. dollar in 2024, which affected the translation of subsidiary financial statements.

3. Increase in Total Comprehensive Income for the Current Period:

The increase was due to a rise in net profit of NT\$15,112 thousand and an increase in other comprehensive income (net of tax) of NT\$50,307 thousand.

4. Increase in Comprehensive Income Attributable to Owners of the Parent for the Current Year:

The increase was due to a rise in net profit attributable to owners of the parent of NT\$3,652 thousand and an increase in other comprehensive income (net of tax) attributable to owners of the parent of NT\$36,310 thousand.

Note: Other items with changes of less than 10% or with an absolute change amount of less than 1,000 thousand yuan are not analyzed.

### 5.2.2 Sales forecast for the next year:

Please refer to section “2025 sales forecast and basis” on page 5.

**5.2.3. Possible impacts on the Company's future financial operations and countermeasures:** Revenue for 2024 increased by 1.73% compared to 2023. As a result, gross profit increased by NT\$565 thousand. Due to an increase in operating expenses of NT\$333 thousand, operating profit increased by NT\$232 thousand. There was no significant impact on the financial position due to sufficient own funds.

## 5.3 Analysis of Cash Flow

### 5.3.1 Remedy for Cash Deficit and Liquidity Analysis

Item \ Year	2023	2024	Variance (%)
Cash Flow Ratio (%)	111.08%	104.19%	-6.89%
Cash Flow Adequacy Ratio (%)	137.60%	142.96%	5.36%
Cash Reinvestment Ratio (%)	5.70%	4.78%	-0.92%

Analysis of financial ratio change:

1. Decrease in cash flow ratio in the current period: It is because the decrease in net cash inflow from operating activities is greater than the increase in current liabilities.
2. Increase in Current Cash Flow Adequacy Ratio: This is due to a NT\$147,664 thousand increase in net cash flow from operating activities over the past five years, which is greater than the total increase of NT\$50,046 thousand in capital expenditures, inventory growth, and cash dividends compared to the previous period.
3. Decrease in Cash Reinvestment Ratio: The numerator (net cash flow from operating activities minus cash dividends) decreased by NT\$ 35,448 thousand in 2024 compared to 2023 (a decrease of 12.51%), while the total amount of items in the denominator increased by NT\$218,812 thousand compared to the previous period (an increase of 4.4%), resulting in the decrease.

Unit: NT\$ thousands

2024Cash and Cash Equivalents, Beginning of Year (A)	Net Cash Flow from Operating Activities (B)	Cash Outflow (C)	Cash Surplus□ (Deficit) (D)=(A)+(B)-(C)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
993,619	455,115	349,268	1,099,466	0	0

1.2024Analysis of change in cash flow in the current year:

- (1) Operating activities: In the year 2024, the consolidated operating performance generated a net cash inflow of NT\$455,115 from operating activities.
- (2) Investing activities: In 2024, the consolidated capital expenditures for equipment and the increase in financial assets measured at amortized cost- current, resulted in a net cash outflow of NT\$155,255 thousand.
- (3) Financing activities: Financing Activities: The main activity in fiscal 2024 was the distribution of cash dividends, resulting in an expenditure of NT\$202,521 thousand.
- (4) Effect of exchange rate: the consolidated net amount for the year ended December 2024 was increased by NT\$8,508 thousand.

2.Improvement plans for lack of liquidity :

In year 2024, the company's own funds amounted to NT\$1,099,466 thousand, which remained sufficient. Additionally, based on the financial analysis, the consolidated current liabilities ratio from 2020 to 2024 decreased from 14.49%, 15.71%, 15.38%, 14.21%, to 13.00%, all of which are below 20%. With a solid financial structure, there were no liquidity issues.

### 5.3.2 Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

2025 Estimated Cash and Cash Equivalents, Beginning of Year (A)	Estimated Net Cash Flow from Operating Activities (B)	Estimated Cash Outflow (Inflow) (C)	Cash Surplus (Deficit) (D)=(A)+(B)-(C)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
1,099,466	516,257	246,967	1,368,756	0	0

#### 1. Analysis of cash flow variation for the next year:

- (1) Operating activities: The Company expects the operating performance in 2025 and the net cash inflow from operating activities will be NT\$516,257 thousand.
- (2) Investment Activities: Capital expenditures for the acquisition of property, plant, and equipment in the coming year are expected to amount to NT\$41,072 thousand.
- (3) Financing activities: The total net cash outflow from financing activities is expected to be NT\$203,116 thousand, mainly due to the payment of cash dividends and changes in non-controlling interests.
- (4) Foreign Exchange Impact: It is estimated that the net effect for year 2025 will be an decrease of NT\$2,779 thousand.

#### 2. Response measures and liquidity analysis for cash flow deficit:

According to the financial analysis, the consolidated current liabilities ratio of the Company was below 20% from 2020 to 2024, from 14.49%、15.71%、15.38%、14.21% and 13.00% showing a stable financial structure. The 2025 annual budget continues to support investment and financing activities with net cash inflows from operating activities., resulting in the effect on the cash balance at the beginning and end of the term. In 2025, the cash at the end of the term was NT\$1,099,466 thousand with cash adequacy of NT\$1,368,756. Therefore, there is no condition that requires remedial measures for insufficient cash and liquidity in the operating condition.

## 5.4 Major Capital Expenditure Items

### 5.4.1 Major Capital Expenditure Items and Source of Capital

Unit: NT\$ thousands

Project	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Capital	Actual or Expected Capital Expenditure	
				2023	2024
Procedure improvement; acquisition of machinery, equipment, and accessories	Proprietary capital	01/01/2024 ~ 31/12/2025	85,784	123,230	40,355

#### 5.4.2. Effect of major capital spending on financial position and business operation:

1. Production equipment has been acquired to facilitate in-house production of previously outsourced items for better quality control, shorten production turnaround time, reduce costs, and increase production efficiency and yield for better customer satisfaction.
2. Additional plant premise and production line equipment are being acquired to accommodate customers' orders, which has the potential to grow revenue and increase profit.  
Additional machinery, equipment, and accessories are being acquired as part of the procedure improvement and production automation plan, which has the potential to increase production efficiency, lower costs, and improve technological capacity.
3. New precision equipment and measuring instruments are being acquired to support mold development, which will improve the complexity and efficiency of product development efforts and enhance the Company's competitive advantage over time.

### 5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

Unit: NT\$ thousands

Item	Remarks	Amount of Initial Investment	Policies	Reasons for Gain or Loss	Action Plan	Investment Plan for the Next 12 Months
Propitious International Inc.		347,044	Holding company - It invests in GSK VIETNAM CO., LTD. for the manufacturing, processing, and production of precision metal stamped parts, seats, and interior accessories for cars and motorcycles.	Holding company - It invests in GSK VIETNAM CO., LTD. for the manufacturing, processing, and production of precision metal stamped parts, seats, and interior accessories for cars and motorcycles. NTD129,917 thousands for 2024	Support product development efforts in the motorcycle market with the goal of increasing market share; develop car seats, saddles, paddings, and parts for local customers; and explore opportunities for stamped parts such as DISK in the Southeast Asian market for increased revenue and profit.	The subsidiary expects to invest NT\$9,500 thousands in improving bottlenecks and equipment associated with the production of car seats, saddles, and DISK, so that it has the capacity to supply to the automobile industry in Vietnam and meet the needs of Southeast Asian countries.

SUPERIORITY ENTERPRISE CORP.	391,965	Holding company - It invests in Suzhou Fine Blanking & Tool for the manufacturing, processing, and production of precision metal stamped parts for automobiles in Mainland China.	The subsidiary mainly produces metal stamped parts for the Mainland market; it underwent a re-organization that significantly reduced personnel expenses, but due to poor sale of newly mass-produced products, the subsidiary reported a loss in 2024 totaling NTD 5,077 thousands.	Lease out idle plant premises and lease out or sell idle equipment to reduce fixed expenses.	The company's board of directors resolved in May 2024 to sell Suzhou Fine Blanking & Tool and is currently in the process of finding a buyer.
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## 5.6 Analysis of Risk Management

### Risk management organization and execution

Item	Key risks	Responsible risk manager (1st line)	Risk review and control mechanism (2nd line)	Risk decision and supervision (3rd line)
1	The overall strategy map and assessment and control of goals	Grade 1 manager	Operational review meeting	<p>* Highest response and decision-making authority: Board of directors</p> <p>* Risk monitoring and tracking unit: Audit Office</p>
2	Market risk (1) New customer development and competitive actions (2) Risk management in order-taking and the accounts receivable cycle (3) Customer credit risk assessment and management	Sales Department	Operational review meeting	
3	Production capacity risk Risk of production delay (for reasons such as equipment malfunction, labor shortage, natural disaster, water/power/resource disruption, supplier delay, etc.) disrupting customer production lines	Manufacturing Department Assisting departments: Technology Research Department Sales Department Administration Department	Operational review meeting	
4	New product development risk (1) Risk of delay in new product development (2) Safety risk, testing, and control for safety-related new products	Technology Research Department Quality Assurance Department	Development meeting Operational review meeting	
5	Information risk Assessment and control of risks associated with IT system errors	President's Office	Operational review meeting	
6	Handling of litigation and non-contentious cases Compliance with government policies and regulations	Administration Department	Operational review meeting Board of directors	

7	Assessment and control of risks and benefits associated with investments, mergers, and acquisitions	President's Office Administration Department	Operational review meeting Board of directors	
8	Assessment and control of financial risk, liquidity risk, risk associated with external party lending/endorsement/guarantee and trading of financial instruments, and budget attainment	Budget Committee Administration Department	Operational review meeting Board of directors	
9	Assessment and control of environmental, safety and health, and climate change risks	Safety Management Office Environmental Safety System Committee Sustainability Committee	Operational review meeting Safety and Health Committee Board of directors	
10	Management of employee behavior	Managers of all levels and the Administration Department	Personnel Evaluation Committee	
11	Management of affairs relating to board of directors meeting and shareholder meeting	Administration Department	Board of directors	

#### 5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures :

##### 1. Impact on the Company's earnings

Item	2024 (NT\$ thousands)	As a percentage of revenue(%)	As a percentage of pre-tax profit(%)
Net interest income (expense)	31,301	1.08%	7.88%
Net gain (loss) on exchange	25,559	0.88%	6.43%

##### (1) Interest rate

The interest rate risk of the Company mainly comes from the borrowings with floating interest rate for supporting the short-term liabilities and long-term liabilities generated from operating activities and long-term capital expenditure. However, most of the short-term borrowings in 2024 and 2023 were of fixed interest rate, and the financing amount in recent years could only be used to issue immediate letters of credit, so there was no significant change in interest rates. the cash flow risk.

Future countermeasures: In order to reduce the interest rate risk, the Company mainly repays short-term borrowings from working capital income immediately. When short-term funds are available, the Company invests in highly liquid short-term bills and time deposits to protect the safety of principal and maintain liquidity. It is estimated that the Taiwan dollar interest rate will remain at a low level in the coming year, while the U.S. dollar interest rate is expected to remain at a higher level.

Interest rate fluctuations in the coming year, as shown in the table above,

will mainly affect time deposit interest income.

## **(2) Foreign exchange rates**

The Company's exchange rate risk is mainly related to business activities (revenue or expense denominated in the currency different from the consolidated company's functional currency) and net investment in foreign operations. In Taiwan, more than 10% of the company's revenue is derived from foreign currencies such as USD and EUR; about 25% of the cost of raw materials (steel) is paid in USD, and the cost of large equipment is paid in USD, JPY, and EUR. The subsidiary in Mainland China will receive payment in CNY; the subsidiary in Vietnam will receive payment in VND, and some imported raw materials and equipment will be paid in US dollars. Therefore, the foreign currency receivables and foreign currency payables have some identical positions, which would generate natural hedging, while the net investment in foreign institutions was not hedged.

Future countermeasures: The impact on the amount of exchange gains and losses of the Company's subsidiaries in mainland China and Vietnam is minor, and the exchange rate between NT\$ and VND is constantly monitored to reduce the cost of purchase in US dollars. Apart from paying attention to exchange rate fluctuations, Taiwan Branch increases or decreases the amount of short-term borrowings in foreign currencies for imported steel products to use as a foreign currency hedging tool into the assessment process.

## **(3) Inflation**

Our company's sales market in Taiwan is diversified across Asia, North America, Europe, and the domestic market. Approximately 25% of our procurement costs are from overseas, while domestic costs, including raw materials and labor, account for about 75%. According to data from the Directorate-General of Budget, Accounting and Statistics (DGBAS) of the Executive Yuan, Taiwan's economic growth rate in 2024 was 4.59%. It is estimated that the economic growth rate in 2025 will be approximately 3.14%, with the DGBAS estimating Taiwan's inflation rate for 2025 to be around 1.94%. Our subsidiary in mainland China mainly sells automotive components locally. According to statistics from the National Bureau of Statistics of China, the economic growth rate in China was 5.0% in 2024, with the Chinese Academy of Social Sciences estimating the economic growth rate for 2025 to be around 5%. The Chinese Academy of Social Sciences estimates the average inflation rate for 2025 to be between 2.0%. In the region of our subsidiary in Vietnam, we primarily sell automotive components. According to estimates from the General Statistics Office of Vietnam, the economic growth rate in Vietnam was 7.09% in 2024. The Vietnamese government has set a target economic growth rate of 6.8% for 2025, with an annual inflation rate target of 5.0%. The World Bank's "Global Economic Prospects" in January 2025, projects that global economic growth will remain stable at 2.7% in both 2025 and 2026.



The Company is mainly affected by the import and procurement of main materials, which is more affected by the labor cost and the local procurement of raw materials. The aforementioned situation has not yet occurred to the major events that affect the Company's operations and development.

Future countermeasures: In the future, the Company will pay attention to changes in inflation at any time, adjust the purchase and inventory of local raw materials, and cooperate with the implementation of improvement proposals to reduce costs and increase efficiency and effectiveness.

**5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:**

1. The Company did not engage in any high-risk or highly leveraged investments or derivatives trading, and will carefully devise its policies and ensure adherence should it decide to do so in the future.
2. The Company offers external party endorsement, guarantee, and lending only to subsidiaries in which it holds 50% direct or indirect ownership interest or more. "External Party Lending, Endorsement, and Guarantee Procedures" have been established to serve as guidance and to ensure that risks are managed in the Company's best interest. A more detailed explanation is provided below:
  - (1) Loans to external parties:  
The Company did not lend capital to any external parties in the last year and up until the publication date of annual report.
  - (2) Endorsements and guarantees:  
The Company did not offer endorsement or guarantee to any external parties in the last year and up until the publication date of annual report.
3. Main causes of profit or loss incurred and future response measures: Not applicable.

**5.6.3 Future Research & Development Projects and Corresponding Budget**

1. Please refer to pages 109 for details on "Products planned to be developed" under Operational Overview.
2. Expected R&D expenses: The Company expects to invest \$27,800 thousand in product R&D in 2025, or 0.93% of revenue.

**5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales**

The Company encountered no changes in local or foreign policies/regulations that affected its financial or business performance in the last year and up until the publication date of the annual report.

The Company pays constant attention to key policies and laws at home and abroad for changes that may affect its financial or business performance. The Company encountered no changes in policies or laws in the last year and up until the publication date of the annual report that significantly affected its financial or business performance.

**5.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales**

The Company constantly gathers and analyzes information on automobile parts as well as technological changes that are relevant to its products, so that actions can be taken to mitigate the impact of technological change. Meanwhile, the Company invests proactively in new product development and adopts solutions such as TPS, TPM, production automation, etc. to secure revenue and profitability. There have been no changes in technology or industry practice in the last year and up until the publication date of the annual report that significantly affected the Company's financial position or business performance. The Company has implemented a robust cybersecurity management system to enforce cybersecurity in all business and service activities, to avoid potential impacts. For information on IT security risk management, please refer to Page 143~146, IT Security Management. The Company encountered no significant cybersecurity incidents in the last year and up until the publication date of the annual report.

#### **5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures**

The Company has always upheld professionalism and integrity as the ultimate guiding principles, and places great emphasis on corporate image and risk management. There has been no media coverage that adversely affected the Company's image to date.

#### **5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans**

The Company has been able to deliver strong business performance and profitability, and does not plan to engage in any business acquisitions or mergers.

#### **5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans**

Our subsidiary in Vietnam initiated the construction of an additional factory building in Hanoi in March 2022 to meet the demand for new orders of automotive seats. The expansion project also involved the acquisition of new equipment. Completion of the project in 2024 has increased production capacity, which is to meet customer order requirements and enhance customer satisfaction. In Taiwan operations will continue to purchase automation equipment and replace outdated machinery based on demand. It is expected that this will improve production efficiency and contribute to energy savings and carbon reduction. The capital expenditures for expanding factory facilities and acquiring equipment can be supported by our own operational funds, thus having no significant impact on the company.

The Company will continue monitoring customers' needs, and explore the possibility of expanding production capacity and increasing the level of automation for cost reduction.

The Taiwan operations will continue to purchase automation equipment and replace outdated machinery based on demand. It is expected that this will improve production efficiency and contribute to energy savings and carbon reduction.

### **5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration**

#### **1. Purchases:**

The Company's main raw materials are purchased indirectly from China Steel through a number of domestic manufacturers. For overseas purchases, two Japanese companies purchase materials. In addition, the subsidiaries in mainland China and Vietnam purchase some steel from local steel mills or agents. The Company maintains long-term and good cooperative relations with suppliers of major raw materials, and appropriately diversifies the sources of purchases to reduce the risk of shortage of major raw materials. The Company's purchase situation is stable, with only one supplier exceeding 10% in 2024, accounting for approximately 28.80%. Since the top three suppliers accounted for about 42.18% of the total purchase amount, there should be no risk of excessive purchase concentration.

#### **2. Sales:**

In terms of sales concentration, three were two customers accounted for 38.07%, 15.94%, of the sales in 2024, The top three customers account for approximately 63.66% of the total sales amount. The top three customers are mid-term and long-term advanced product development in the automobile and motorcycle supply chain. The Company maintains a good cooperation model and actively develops various new products. In the future, the Company will continue to explore other customers and there should be no risk of excessive concentration of sales.

### **5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%**

There have been no significant transfers of shareholding by directors or major shareholders with more than 10% ownership up until the publication date of annual report, therefore the issue has yet to pose any impact or risk to the Company.

### **5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights**

There have been no changes of management up until the publication date of annual report, therefore the issue has yet to pose any impact or risk to the Company.

### **5.6.12 Litigation or Non-litigation Matters List major litigious, non-litigious or administrative disputes that: involve the company and/or any company director, supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report:**

None of the Company's directors, the President, person-in-charge, major shareholders with more than 10% ownership interest, or subsidiaries were involved in any major litigation, non-contentious dispute, or administrative litigation that would affect shareholders' equity or security price as of the publication date of annual report.

#### **5.6.13 Other Significant Risks and Countermeasures :**

In 2025, with the new U.S. administration taking office, the "America First" trade policy was implemented to reduce the U.S. trade deficit with other countries, introducing new tariff policies that triggered significant fluctuations in global trade. This prompted other countries to renegotiate agreements with the U.S. The tariffs and related costs led to increased operating expenses for businesses, which were passed on to consumers, sparking inflation and fluctuations in interest rates. This, in turn, suppressed investment and consumption, leading to a decline in market purchasing power and potentially causing a slowdown in economic activities, or even a recession.

In response to the aforementioned external changes, our company will continue to leverage the overall resources of the group to deepen the OEM market for automotive, special vehicle types, and bicycle components, as well as strengthen the collaboration mechanisms with clients for joint development. We will also adopt a more aggressive global market strategy, expanding the Southeast Asian market from our operations in Vietnam and targeting regions outside of the U.S., such as Europe and North America, from our Taiwan operations. We will adjust configurations according to customer needs to mitigate risks. At the same time, the company is actively promoting information optimization, TPS activity improvements, and streamlining overall operational processes to enhance efficiency and yield, reduce error rates, and lower costs, thereby strengthening the company's competitiveness and stabilizing finances, which in turn will increase operational resilience and reduce the impact of U.S. tariffs.

In the future, our company will continue to closely monitor changes in U.S. tariff policies and adjust our strategies accordingly to ensure stable operations.

#### **5.7 Other material issues : None ◦**

## **VI. Special Disclosure**

### **6.1 Summary of Affiliated Companies**

#### **6.1.1 Consolidated Business Report of Affiliated Enterprises for the 113th Year of the Republic of China**

For related information, please refer to the index path and website below on the Public Information Observation Station:

Public Information Observation Station > Single Company > Electronic Document Download > Affiliated Enterprises Three Reports Section  
In the Single Company section, click "Electronic Document Download / Affiliated Enterprises Three Reports Section /".

(Website: [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10))

#### **6.2.2 Consolidated Financial Statements of Affiliated Enterprises:**

(113th Year) Affiliated Enterprises Consolidated Financial Report Declaration:

For related information, please refer to the index path and website below on the Public Information Observation Station:

Public Information Observation Station > Single Company > Electronic Document Download > Affiliated Enterprises Three Reports Section  
In the Single Company section, click "Electronic Document Download / Affiliated Enterprises Three Reports Section /".

(Website: [https://mopsov.twse.com.tw/mops/web/t57sb01\\_q10](https://mopsov.twse.com.tw/mops/web/t57sb01_q10))

#### **6.2.3 Affiliation report : None ◦**

### **6.2 Private placement of securities in the last year and up until the publication date of the annual report : None ◦**

### **6.3 Other supplementary information: The Company has no TPEx listing commitments that remain unfulfilled.**

**VII. Any occurrence of events defined in Article 36, Paragraph 3, Subparagraph 2 of the “Securities and Exchange Act” in the last year and up until the publication date of the annual report that significantly impacted shareholders’ equity or security prices:**

The Company did not encounter any occurrence of events defined in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act in the previous year up until the publication date of annual report that significantly impacted shareholders’ equity or security prices.



**FINE BLANKING & TOOL CO., LTD.**

## 2024 Annual Report

Chairman: Wu, Chung-Yi