

Stock Code:4535



FINE BLANKING & TOOL CO., LTD.

2025 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/>

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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 motorcycle seat 摩托車類部品



Pioneer in stamping technologies

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Headquarters, Branches and Plant

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Auditors

FULFILL & CO., CPAS

Auditors: Wu, Jin-Di, Chi, Chia-Yu.

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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 2025, operations continued to be affected by global geopolitical risks. Additionally, U.S. tariffs impacted interest rates and inflation, which in turn restrained investment and consumption, leading to a decline in revenues at the company's Taiwan operations. As a result, consolidated net revenue for 2025 decreased by 13.43% compared with the same period last year, and consolidated net income after tax declined by 29.26%.

In 2026, the company continued to be affected by U.S. tariffs and their impact on indirect trade orders with the United States. Moreover, the Middle East conflict in the first quarter increased energy costs, resulting in reduced revenue and profit for the company's first-quarter operations. In terms of operations, the company continues to optimize its information systems to streamline processes, enhance efficiency and yield, reduce errors, lower costs, and strengthen competitiveness and financial stability. These initiatives are expected to improve operational resilience and help 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 expand the development of stamped components for the electronics industry and other sectors. 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 2025 business results, 2026 business plan, future growth strategies, and susceptibility to external influence:

1.1 2025 business report

1.1.1 Results of the 2025 business plan

The consolidated net revenue for the Group in fiscal 2025 was NT\$2,518,722 thousand, representing a 13.43% decrease compared to NT\$2,909,509 thousand in 2024. The pre-tax net profit for 2025 was NT\$290,529 thousand, down 26.87% from NT\$397,251 thousand in 2024. The net profit after tax reached NT\$203,865 thousand, reflecting a 29.26% decrease from NT\$288,195 thousand in the previous year. Of this amount, the net profit attributable to the owners of the parent company was NT\$98,084 thousand, marking a 47.00% decrease compared to NT\$185,076 thousand in 2024.

1.1.2. Budget implementation

The 2025 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	2025 Estimated Consolidated Financial Statements	2025 Consolidated Financial Statements	Achievement rate %
Net sales	2,998,053	2,518,722	84.01%
Cost of Sales	(2,410,137)	(2,018,961)	83.77%
Gross profit	587,916	499,761	85.01%
Operating Expenses	(236,264)	(218,776)	92.60%
Operating Income	351,652	280,985	79.90%
Non-operating income and expenses	43,972	9,544	21.70%
Income Before Tax	395,624	290,529	73.44%
Tax Benefit (Expense)	(109,501)	(86,664)	79.14%
Net income	286,123	203,865	71.25%
Other comprehensive income			
Components of other comprehensive income that will be reclassified to profit or loss :			
Exchange differences on translation	12,981	(70,557)	-544%
Other comprehensive income (income after tax)	12,981	(70,557)	-544%
Total comprehensive income	299,104	133,308	44.57%
Profit (loss), attributable to:			
Profit (loss), attributable to owners of parent	183,044	98,084	53.58%
Profit (loss), attributable to non-controlling interests	103,079	105,781	102.62%
	<u>286,123</u>	<u>203,865</u>	<u>71.25%</u>
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent	190,838	56,183	29.44%
Comprehensive income, attributable to non-controlling interests	108,266	77,125	71.24%
	<u>299,104</u>	<u>133,308</u>	<u>44.57%</u>
earnings per share	2.42	1.30	53.72%

1.1.3. Financial income and expenditure

1. Comparison of consolidated financial performance

Unit: In Thousands of New Taiwan Dollars; %

Items	2024 Consolidated Financial Statements	2025 Consolidated Financial Statements	Percentage change(%)
Net sales	2,909,509	2,518,722	-13.43%
Cost of Sales	(2,342,367)	(2,018,961)	-13.81%
Gross profit	567,142	499,761	-11.88%
Operating Expenses	(233,489)	(218,776)	-6.30%
Operating Income	333,653	280,985	-15.79%
Non-operating income and expenses	63,598	9,544	-84.99%
Income Before Tax	397,251	290,529	-26.87%
Tax Benefit (Expense)	(109,056)	(86,664)	-20.53%
Net income	288,195	203,865	-29.26%
Other comprehensive income			
Components of other comprehensive income that will be reclassified to profit or loss :			
Exchange differences on translation	27,059	(70,557)	-360.75%
Other comprehensive income (income after tax)	27,059	(70,557)	-360.75%
Total comprehensive income	315,254	133,308	-57.71%
Profit (loss), attributable to:			
Profit (loss), attributable to owners of parent	185,076	98,084	-47.00%
Profit (loss), attributable to non-controlling interests	103,119	105,781	2.58%
	288,195	203,865	-29.26%
Comprehensive income attributable to:			
Comprehensive income, attributable to owners of parent	206,374	56,183	-72.78%
Comprehensive income, attributable to non-controlling interests	108,880	77,125	-29.17%
	315,254	133,308	-57.71%
earnings per share	2.44	1.30	-46.72%

2. Profitability analysis (Consolidated Financial Statements)

Items	Year	2024(A)	2025(B)	Increase or Decrease Rate/Amount (B-A)
Return on Total Assets (%)		8.7	6.22	-2.48
Return on Equity (%)		10.16	7.14	-3.02
Pre-tax Income to Paid-in Capital Ratio (%)		52.5	38.4	-14.1
Net Margin (%)		9.91	8.09	-1.82
BASIC Earnings Per Share		2.44	1.3	-1.14
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 – Plastic-coated seat belt tongue assembly Drive train – transmission rod assemblies	Automotive Application
Safety System – Brake discs, smart discs, Forged discs, ABS Sensor discs, floating discs. Engine System – chain wheels, Stop plate. Drive train – shock absorber assemblies, chain wheels. Vehicle system – brackets, mounting plates.	Motorcycle & Heavy 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 Server Guide Rail - stamped fasteners	Others Applica

1.2 Summary of the 2026 business plan

1.2.1. Operational guidelines/goals

1. In 2026, we will continue to 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. We will implement AI agents to optimize operational processes. In addition, management process improvements will be pursued persistently through initiatives such as TPS, TPM, FMS, and internal suggestions, aiming to enhance management efficiency and reduce production costs.

- 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 (pcs./sets)	36,163
Automotive and Motorcycle Seats	Thousand units	2,891

The above projections were made based on sales performance for Q4 2025 after taking into consideration the effect of new products that are expected to commence mass production in 2026.

1.2.3. Key production/sales policies

- Integrate resources across subsidiaries in Taiwan, Mainland China, and Vietnam toward expanding business size, revenue, and profit.
- Continually strengthen R&D capacity through new product development, product improvement, technology enhancement, knowledge base creation, and real applications.
- Make persistent investments in production automation, advanced information systems, new processes, and production improvement projects for increases in production efficiency and operational performance.
- 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.”

Future plans include the gradual development of proprietary automotive and motorcycle component products, as well as the expansion into cross-industry stamped components (such as those for the electronics industry), in order to enhance R&D capabilities and broaden market reach and application scope.

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 :

- 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.
- 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.
- 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 2026, 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 2025, it won the TCSA 18th 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 subsidiary's greenhouse gas (GHG) inventory plan was submitted to the Board of Directors in May 2024. The Hanoi Branch facility of our Vietnam operations completed external verification in March 2026, while the Song May facility is currently collecting data; recalculated carbon emission figures will be disclosed in the 2026 annual report. The Mainland China operations are scheduled to evaluate the implementation timing of the GHG inventory plan in Q2 2026.
3. In alignment with IFRS Sustainability Disclosure Standards, preparations are expected in 2027 to disclose, in the 2026 annual report, consolidated inventory information of the parent and subsidiaries, along with carbon reduction targets, strategies, and concrete action plans.

In 2025, the global economy was affected by U.S. tariffs, inflation, and high interest rates. In the first quarter of 2026, the addition of uncontrollable factors such as the Middle East conflict caused fluctuations in global automobile and motorcycle supply chain sales, following global economic trends. Going forward, the Company will continue to strengthen its core competitiveness, appropriately plan short- and long-term technological and business development strategies, deepen its presence in the OEM market for automotive and motorcycle components, and expand into cross-industry stamping components.

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 29, 2026

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%	8,142,668	10.76%	0	0	0	0	(N/A)	None	None	None	None
	R.O.C	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung-Yi Wu	Male 71~80 years old	05/30 2023	3	07/30/ 1998 First appointed as 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%	121,000	0.16%	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.

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
Director	R.O.C	Chiuan-Tai INVESTMENT 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 INVESTMENT CORP. Representative: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 INVESTMENT DEVELOPMENT CORP.	(N/A)	5/30/2023	3	03/05/1988 First appointed as Supervisor 06/22/2011 First appointed as 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 INVESTMENT DEVELOPMENT CORP. Representative:Chung-Wuu Li	Male 61~70 years old	5/30/2023	3	12/27/1999 First appointed as Director 06/28/2002 First appointed as 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., Ltd.. ●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., Ltd.. ●Vice Chairman and director, GSK Corporation ●Director , FINE BLANKING & TOOL CO., LTD.

●Director , GSK VIETNAM CO., LTD. ●Supervisors, SHIN SAN SHING 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
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. Representative: 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 First appointed as 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, 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 & Furniture 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. ●Director, MEDCARE MANUFACTURING INC.
●Director, GSK INVESTMENT DEVELOPMENT CORP.
●Supervisors, GSK Autotech & Furniture INC. ●Supervisors, GSK Technologies Inc. ●Supervisors, Chiuan-Tai INVESTMENT CORP.

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
Director	R.O.C	CHING YUAN INVESTMENT Co.,Ltd	(N/A)	5/30/2023	3	06/18/2020	514,000	0.68%	566,000	0.75%	0	0	0	0	(N/A)	None	None	None	None
	R.O.C	CHING YUAN INVESTMENT Co.,Ltd. Representative:Yen-Hsing Wu	Male 41~50 years old	5/30/2023	3	06/18/2020	221,187	0.29%	221,187	0.29%	0	0	0	0	(Note : G)	(Note : G)	Chairman	Chung-Yi Wu	Father and son
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

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 ●Director, GSK Technologies Inc.

Other Position:

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

H. Independent Director: Chia-Chi Kuo 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, Compensation and Audit Committee Member, 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	Yi-Min Lin	Male	05/30/2023	3	06/18/2020	0	0	0	0	0	0	0	(Note : I)	(Note : I)	None	None	None	
			51~60 years old																
Independent Director	R.O.C	Cheng-Shong Hong	Male	05/30/2023	3	06/18/2020	0	0	0	0	0	0	0	<ul style="list-style-type: none"> ●Ph.D., Electrical Engineering, National Cheng Kung University National ●Professor, Department of Electronic Engineering, National Kaohsiung Normal University ●Independent Director, FINE BLANKING & TOOL CO., LTD., 	<ul style="list-style-type: none"> ●Independent Director, Compensation and Audit Committee Member, FINE BLANKING & TOOL CO., LTD. 	None	None	None	
			61~70 years old																

Note I. Independent Director: Yi-Min Lin Experience (Education) : Master of Accounting, National Changhua University of Education.

- FULL-GO & CO., CPAs, ●Independent Director, FINE BLANKING & TOOL CO., LTD., ●Supervisors, FLAVOR FULL FOODS INC. Supervisors
- 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.

Other Position: ●FULL-GO & CO., CPAs , ●Independent Director, Compensation and Audit Committee Member, FINE BLANKING & TOOL CO., LTD.

- Lecturer, Changhua City Association of Bookkeepers

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 29,2026

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 29,2026

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,(19%),TZU-HSIEN LIN(35%), TZU-YANG LIN(35%),JUI-CHANG LIN(11%)
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(14%),CHAO-HUNG LIN(63%), SHAO-CHIEN LIN(15%),SHAO-CHIEH LIN(8%)
Sheng You Investment Co.,Ltd	TENG-TSAI LIN(59%),CHIH-WEI LIN(14%), PING-KUAN LIN(14%),CHIH-NING LIN(13%)
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(25%), SHU-HAO WU(25%)

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"> ●●Required work experience in commerce, law, finance, accounting or other fields required by the business of the company Professional qualifications and this Annual Report 2.1.1 Director Information(I) (pages 7-11) ●None of the directors had any of the conditions stated in Article 30 of The Company Act (Note 1) 		(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"> 1. 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 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”
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".

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 six years, while one has served for nearly eleven 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. 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) Enhancing the 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				Independent Director Term/years of service							Title	Name	Relation
			41 - 50	51 - 60	61 - 70	71 - 80	4-6 Years	9-12 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		V			
Independe nt Director Yi-Min Lin	Male			V			V		V	V	V		V			
Independe nt Director Cheng-Shong Hong	Male				V		V				V		V			

2.1.2 Management Team

March 29, 2026

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"> ●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. 	None	None	None
Vice President	ROC	Chin-Tsu Hsieh (Note 3)	Male	11/12/2013	7,000	0.01%	0	0	0	0	Department of Mechanical Engineering, aichung Municipal Dongshih Industrial High School. General Manager of GSK (China)	None	None	None	None
Assistant Manager of the President's Office and Acting Spokesperson/ Cybersecurity Officer	ROC	Chun Chieh Lin	Male	04/01/2014	0	0	0	0	0	0	Department of Management and Information, National Open University. Senior Specialist, R&D Department,Deputy Manager, R&D Department,Deputy Manager, Sales Department	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"> ●Supervisors, GSK VIETNAM CO., LTD. ●Director, SUPERIORITY ENTERPRISE CORP 	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.

(3) On May 27, 2025, Deputy General Manager Chin-Tsu Hsieh resigned due to retirement.

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 statement	Cash	Stock	Cash	Stock	The company	Companies in the consolidated financial statement	The company	Companies in the consolidated financial statement				
																											total amount	%	total amount
Chairman	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung -Yi Wu	2,565	2,565	0	0	1,084	1,084	42	42	3,691	3.76%	3,691	3.76%	0	0	0	0	0	0	0	0	0	0	0	3,691	3.76%	3,691	3.76%	None
Director	Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin	0	0	0	0	600	600	36	36	636	0.65%	636	0.65%	0	0	0	0	0	0	0	0	0	0	636	0.65%	636	0.65%	None	
Director	IDEA INVESTMENT Co., Ltd.(Note2) Representative: Chung-Ming Wu	0	0	0	0	1,800	1,800	42	42	1,842	1.88%	1,842	1.88%	2,258	2,258	0	0	244	0	244	0	4,344	4.43%	4,344	4.43%	None			
Director	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu	0	0	0	0	360	360	42	42	402	0.41%	402	0.41%	588	588	34	34	50	0	50	0	1,074	1.09%	1,074	1.09%	None			
Director	GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	0	0	0	0	600	600	42	42	642	0.65%	642	0.65%	0	0	0	0	0	0	0	0	642	0.65%	642	0.65%	None			
Director	Yu-Mei Wu	0	0	0	0	360	360	42	42	402	0.41%	402	0.41%	0	0	0	0	0	0	0	0	402	0.41%	402	0.41%	None			
Director	CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu	0	0	0	0	360	360	36	36	396	0.40%	396	0.40%	0	0	0	0	0	0	0	0	396	0.40%	396	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	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	Cash	Stock	total amount	%	total amount	%	
Independent Director Chia-Chi Kuo	Chia-Chi Kuo	396	396	0	0	0	0	77	77	473	0.48%	473	0.48%	0	0	0	0	0	0	0	0	473	0.48%	473	0.48%	None
Independent Director Chia-Chi Kuo	Yi-Min Lin	396	396	0	0	0	0	77	77	473	0.48%	473	0.48%	0	0	0	0	0	0	0	0	473	0.48%	473	0.48%	None
Independent Director Chia-Chi Kuo	Cheng-Shong Hong	396	396	0	0	0	0	77	77	473	0.48%	473	0.48%	0	0	0	0	0	0	0	0	473	0.48%	473	0.48%	None

- 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:
 - According to the Company's "Regulations on Remuneration of Directors and Employees": Independent directors receive only fixed remuneration regardless of profit or loss, paid at NTD 25,000 per person per month; independent directors who concurrently serve on the Remuneration Committee are paid NTD 8,000 per person per month. Independent directors do not receive any annual director remuneration allocated from company profits.
 - Considering factors such as the independent directors' impartial and objective position, their devoted participation in board deliberations, and the general industry standard for director remuneration, appropriate compensation is granted. The related performance assessment and the reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors, and the compensation system is periodically reviewed in accordance with actual business conditions and relevant regulations, to balance the company's sustainable operation with risk management.
- 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.

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	729	729	244	0	244	0	2,502	2.5509%	2,502	2.5509%	None
Vice President	Chin-Tsu Hsieh (Note 3)	382	382	23	23	0	0	0	0	0	0	405	0.4129%	405	0.4129%	None

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

(2). The company has no circumstances requiring the individual disclosure of compensation information for the top five highest-paid executives.

(3). On May 27, 2025, Deputy General Manager Chin-Tsu Hsieh retired and resigned.

2.2.3 Names of managers receiving employee remuneration and distribution details

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	244	244	0.2488%
	Vice President	Chin-Tsu Hsieh(Note 3)	0	0	0	0%
	Deputy Manager of the President's Office and Acting Spokesperson	Chun Chieh Lin	0	1,158	1,158	1.1806%
	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.
- (3) On May 27, 2025, Deputy General Manager Chin-Tsu Hsieh retired and resigned.

2.2.4 Analysis of the Total Compensation Paid by the Company and All Companies in the Consolidated Financial Statements to the Company’s Directors, Supervisors, General Manager, and Deputy General Managers in the Most Recent Two Fiscal Years, Including an Explanation of Compensation Policies, Standards and Structure, Procedures for Determining Compensation, and the Relationship with Operational Performance and Future Risks:

1. Analysis of the proportion of total compensation paid by the Company and all companies in the consolidated financial statements to the Company’s Directors, General Manager, and Deputy General Managers in the most recent two fiscal years relative to the net profit after tax in the individual or separate financial reports:

Item Title	The company				Companies in the consolidated financial statements			
	2024		2025		2024		2025	
	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)	18,671	10.09%	12,604	12.83%	18,671	10.09%	12,604	12.83%
Remuneration of the President and Vice Presidents	6,380	3.45%	2,907	2.96%	6,380	3.45%	2,907	2.96%
Net Profit After Tax	185,076	-	98,084	-	185,076	-	98,084	-

Note : 1. In Fiscal Year 2025, the total compensation paid to the Directors decreased compared to Fiscal Year 2024, while the proportion relative to net profit after tax increased. This is because net profit after tax declined by 47%, resulting in a reduction in the Directors’ compensation accruals. At the same time, the employee compensation and year-end bonuses for Directors who also serve as employees were reduced in 2025, leading to an overall decrease in total Directors’ compensation. For Fiscal Year 2025, the total compensation paid to the General Manager and Deputy General Managers also decreased compared to Fiscal Year 2024. This is due to the decline in net profit after tax, which led to lower employee compensation and bonus payments, combined with the retirement and resignation of the Deputy General Manager on May 27, 2025.

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. Pursuant to Article 23 of the Company’s Articles of Incorporation, after the year-end final settlement, if the Company has net profit, it shall first allocate at least 2% for employee compensation and may allocate up to 5% for Directors’ compensation. Of the employee compensation allocated pursuant to the preceding paragraph, at least 60% shall be distributed to frontline employees. However, if the Company has accumulated losses, an amount sufficient to offset such losses shall be reserved in advance.
- B. Directors’ compensation is paid according to Article 23 of the Company’s “ Regulations on Remuneration of Directors and Employees,” 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 their level of contribution to the Company's performance, including sustainable performance and industry benchmarks.. 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.

- C. 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. The Company's regulations stipulate that, if there is net profit, at least 2% shall first be allocated for employee compensation. Of the amount so allocated, at least 60% shall be distributed to frontline employees. Employee compensation allocated pursuant to the preceding paragraph shall be approved by the Remuneration Committee and the Board of Directors, and shall be 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. Non-Financial Indicators: Compensation for management performance is calculated based on two main components: the implementation of the Company's core values and operational management capabilities, and participation in sustainable business practices. The compensation system is examined from time to time to reflect operating conditions and to comply with applicable laws.
 - D. 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. Evaluation of Directors' 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," "Performance Evaluation Procedures" 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, Sustainable Business, Corporate Governance Evaluation etc. In Fiscal Year 2025, the actual amounts of compensation paid to the Directors and Managers were reviewed by the Compensation Committee and subsequently submitted to the Board of Directors for approval.

- B. In fiscal year 2025, 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 fiscal year 2025 was NT\$290,529 thousand, representing a 26.87% decrease compared to the pre-tax net profit of NT\$397,251 thousand in fiscal year 2024. In the "Corporate Governance Evaluation" for listed and OTC companies, the Company ranked within the 6%–20% percentile for the 1st to 9th and 11th to 12th sessions in the OTC group, and within the 21%–35% percentile in the 10th session.
 - 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 2025 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 based on the company's overall operational performance. Individual compensation is determined primarily based on target attainment and level of contribution. Payment standards are set according to the achievement rates and contributions of financial indicators, non-financial indicators, and sustainability indicators. This approach 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 in 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 six (6)(A) meetings of the Board of Directors were held in 2025. The attendance of the directors 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%	05/30/2023 Re-election for another term
Director	IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu	6	0	100%	05/30/2023 Re-election for another term
Director	Chiuan-Tai INVESTMENT CORP. Representative: Kuan- Hsing Wu	6	0	100%	05/30/2023 Re-election for another term
Director	Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin	6	0	100%	05/30/2023 Re-election for another term
Director	GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	6	0	100%	05/30/2023 Re-election for another term
Director	Yu-Meu Wu	6	0	100%	05/30/2023 Re-election for another term
Director	CHING YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu	6	0	100%	05/30/2023 Re-election for another term
Independent Director	Chia-Chi Kuo	6	0	100%	05/30/2023 Re-election for another term
Independent Director	Yi-Min Lin	6	0	100%	05/30/2023 Re-election for another term
Independent Director	Cheng-Shong Hong	6	0	100%	05/30/2023 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).The Company has established an Audit Committee and is therefore not subject to the provisions of Article 14-3 of the Securities and Exchange Act. For related information,</p>					

please refer to the “Operation of the Audit Committee” section in this Annual Report.

(2). Any other documented objections or reservations raised by independent directors 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.

In Fiscal Year 2025, the total amounts of employee compensation and Directors’ compensation were reviewed and approved by the Compensation Committee composed of independent directors, with the Directors recusing themselves from the discussion and 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 2025.

- IV) Goals and Evaluation of Strengthening Board Functions in the Current and Recent Fiscal Years (e.g., Establishment of an Audit Committee, Enhancement of Information Transparency, etc.)

1. In Fiscal Year 2025, the Compensation Committee held two meetings to assist the Board of Directors in performing its duties, thereby strengthening the foundation of corporate governance.
2. In Fiscal Year 2025, the Audit Committee held five meetings to assist the Board in overseeing the proper presentation of the Company’s financial statements, the appointment and independence and performance evaluation of certified public accountants, the effective implementation of internal controls, and the management of existing or potential company risks.
3. The Company’s Articles of Incorporation stipulate that Director elections are conducted through a candidate nomination system. On March 4, 2026, the Board approved a nomination period for shareholders holding more than 1% of voting rights, and the nomination results were publicly announced in accordance with regulations – no shareholder nominations were received.
4. In the “Corporate Governance Evaluation” for listed and OTC companies, the Company ranked within the 6%–20% percentile for the 1st to 9th and 11th to 12th sessions in the OTC group, and within the 21%–35% percentile in the 10th session.
5. The Company, adhering to operational transparency and protecting shareholder interests, provides real-time information on its corporate website through sections such as “Investor Relations,” “Stakeholders,” and “Sustainability Reports,” and regularly holds analyst briefings.

Board of Directors_Directors' Attendance in 2025.

Title	Name	1st	2nd	3rd	4th	5th	6th
		2025/2/24	2025/4/28	2025/5/27	2025/7/29	2025/11/4	2025/12/23
Chairman	Chiuau-Dau INVESTMENT Co., Ltd. Representative: Chung-Yi Wu	●	●	●	●	●	●
Director	IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu	●	●	●	●	●	●
Director	Chiuau-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, 2025	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, 2025	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, 2025	Audit Committee	Internal Self-Evaluation by the Audit Committee	Level of participation in the Company's operations, Understanding of the Audit Committee's Duties, Enhancement of the Audit Committee's Decision-Making Quality, Composition and Appointment of Audit Committee Members, Internal control
	January 1 to December 31, 2025	Remuneration Committee	Internal Self-Evaluation by the Remuneration Committee	Level of participation in the Company's operations, Understanding of the Compensation Committee's Duties, Enhancement of the Compensation Committee's Decision-Making Quality, Composition and Appointment of Compensation Committee Members, Internal control

Note: The outcome of the 2025 board performance self-assessment was presented during the board of directors meeting held on March 4, 2026, 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	F.Awareness and Participation Level of the Company in ESG Promotion: 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.	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.
Individual Director Self-Assessment	E.Directors' Professional Expertise and Continuing Education 19.The Directors have pursued diversified courses beyond their respective areas of professional expertise and complete an appropriate number of continuing education hours each year.	Through participation in Board meetings and attending diversified corporate governance training programs, Directors enhance their professional expertise and improve operational practices.
Audit Committee	A.Understanding of the Audit Committee's Duties 7.The Audit Committee is able to provide timely, professional, and objective recommendations to the Board of Directors for discussion, serving as a reference for the Board's decision-making.	By enhancing information provision and strengthening the Audit Committee's oversight effectiveness, the Committee is able to provide timely, professional, and objective recommendations to the Board of Directors for discussion, serving as a reference for the Board's decision-making.
Remuneration Committee	D.Understanding of the Compensation Committee's Duties 6.The Compensation Committee is able to effectively assess and oversee the various existing or potential risks faced by the Company.	By enhancing information provision, the Compensation Committee's ability to professionally assess, make decisions, and govern effectively is strengthened.

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 2025.

The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B/A 】	Remarks
Committee Member (Convener)	Cheng-Shong Hong	5	0	100%	5/30/2023 Re-election 1/1/2025 Assumed the role of convener.
Committee Member	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

Other information required:

1. 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.
 - (1).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 38-40
 - (2).Other than those described above, any resolutions unsupported by the Audit Committee but passed by more than two-thirds of the directors: None
2. 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 2025 posed any conflicts of interest for which independent directors were required to recuse themselves from voting.
3. Communication between independent directors and internal/external auditors
 - (1) 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 24, 2025, 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.
April 28, 2025 2nd meeting of 2025	Report on audit tasks executed from February 2025 to March 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.
July 29 2025 3rd meeting of 2025	Report on audit tasks executed from April 2025 to June 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.

November 4, 2025 4th meeting of 2025	Report on audit tasks executed from July 2025 to September 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.
December 23, 2025 5th meeting of 2025	Report on audit tasks executed from October 2025 to November 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.
	Audit Plan Review for Fiscal Year 2026.	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.
March 4, 2026 1st meeting of 2026	Report on audit tasks executed from December 2025 to January 2026 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 2025 “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.
April 30, 2026 2st meeting of 2026	Report on Actual Audit Activities from February to March 2026 and the Progress of Internal Control Improvements in Subsidiaries.	Questions and discussions	After discussion, the independent directors had no objection to the report on audit task execution.

(2) Communication between the Audit Committee and financial statement auditors in 2025: 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 24, 2025, 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.

Meeting date Meeting session	Communication matters	Independent directors' opinions	Communication results
April 28, 2025 2nd meeting of 2025	Review of the Company's 2025 first-quarter financial statements and consolidated financial statements encompassing business investments.	Questions and discussions	Passed by the Audit Committee and submitted to the board of directors for acknowledgment in accordance with the law, and subsequently announced and filed with the competent authority in a timely manner.
July 29 2025 3rd meeting of 2025	2025 first-half consolidated financial statements encompassing business investments	Questions and discussions	Passed by the Audit Committee and submitted to the board of directors for acknowledgment in accordance with the law, and subsequently announced and filed with the competent authority in a timely manner.
November 4, 2025 4th meeting of 2025	Consolidated financial statements and consolidated financial statements encompassing business investments for the third quarters of 2025.	Questions and discussions	Passed by the Audit Committee and submitted to the board of directors for acknowledgment in accordance with the law, and subsequently announced and filed with the competent authority in a timely manner.
March 4, 2026 1st meeting of 2026	Review of the Company's 2025 financial statements and consolidated financial statements encompassing business investments.	Questions and discussions	Passed by the Audit Committee and submitted to the board of directors for acknowledgment in accordance with the law, and subsequently announced and filed with the competent authority in a timely manner.
April 30, 2026 2st meeting of 2026	Review of the Company's and Investee Companies' Consolidated Financial Statements for the First Quarter of Fiscal Year 2026.	Questions and discussions	Passed by the Audit Committee and submitted to the board of directors for acknowledgment in accordance with the law, and subsequently announced and filed with the competent authority in a timely manner.

In Fiscal Year 2025, the Audit Committee held five meetings, with the attendance of independent Directors as follows:

Audit Committee_ Attendance of independent directors 2025.

Title	Name	1st	2nd	3rd	4th	5th
		2025/2/24	2025/4/28	2025/7/29	2025/11/4	2025/12/23
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 2025 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 details	Resolution	Company's response to the Audit Committee's opinions	Board meeting date	Board resolution
February 24 2025 1st meeting of 2025	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	After the Chairman inquired of all attending Directors and no objections were raised, the proposal was approved as submitted and submitted to the Shareholders' Meeting for acknowledgment.
	Review of the 2024 earnings distribution.	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		After the Chairman inquired of all attending Directors and no objections were raised, the proposal was approved as submitted and submitted to the Shareholders' Meeting for acknowledgment.
	Discussion on the issuance of the 2024 "Declaration of Internal Control System of Fine Blanking & Tool Co., Ltd."		No opinion expressed		Passed as proposed without objection from all attending Directors when inquired by the Chairman. °
	Discussion on the regular assessment of CPAs' independence. (Appointment of 2025 CPAs)		No opinion expressed		Passed as proposed without objection from all attending Directors when inquired by the Chairman. °

Audit Committee meeting date	Motion details	Resolution	Company's response to the Audit Committee's opinions	Board meeting date	Board resolution
April 28, 2025 2nd meeting of 2025	Review of the Company's 2025 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	April 28, 2025 2nd meeting of 2025	Passed as proposed without objection from all attending Directors when inquired by the Chairman. °
July 29, 2025 3rd meeting of 2025	Deliberation on the Consolidated Business Report for the First Half of 2025 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	July 29, 2025 3rd meeting of 2025	Passed as proposed without objection from all attending Directors when inquired by the Chairman. °
	Proposal for discussion on the amendment to the Company's "Procedures for Financial and Business Transactions among Related Parties."	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 all attending Directors when inquired by the Chairman. °
November 4, 2025 4th meeting of 2025	Review of consolidated financial statements encompassing business investments for the first three quarters of 2025.	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	November 4, 2025 4th meeting of 2025	Passed as proposed without objection from all attending Directors when inquired by the Chairman. °
December 23, 2025 5th meeting of 2025	Review of the 2026 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	December 23, 2025 5th meeting of 2025	Passed as proposed without objection from all attending Directors when inquired by the Chairman. °
	Review of the capital expenditure budgets for 2026.	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 all attending Directors when inquired by the Chairman. °

Audit Committee meeting date	Motion details	Resolution	Company's response to the Audit Committee's opinions	Board meeting date	Board resolution
March 4, 2026 1st meeting of 2026	Review of the Company's 2025 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	March 4, 2026 1st meeting of 2026	After the Chairman inquired of all attending Directors and no objections were raised, the proposal was approved as submitted and submitted to the Shareholders' Meeting for acknowledgment.
	Review of the Earnings Distribution Proposal for Fiscal Year 2025.	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		After the Chairman inquired of all attending Directors and no objections were raised, the proposal was approved as submitted and submitted to the Shareholders' Meeting for acknowledgment.
	Discussion on the issuance of the 2025 "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 acknowledgment.	No opinion expressed		Passed as proposed without objection from all attending Directors when inquired by the Chairman. °
	Discussion on the 2026 Evaluation of the Appointment of Certified Public Accountants and Periodic Assessment of Their Independence in Accordance with Legal Requirements.	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 approved as submitted by unanimous vote, with the Chairman and all attending Directors in favor. °
	Discussion on the Revision of the Company's "Procedures for Acquisition or Disposal of Assets"	The current procedures are consistent with the existing situation, and it is recommended not to revise them when submitting to the Board of Directors.	As proposed by the Audit Committee		Resolution of the Board of Directors upon the Chairman's inquiry of all attending Directors: As proposed by the Audit Committee, the current procedures are consistent with the existing situation, and no revisions will be made.
April 30, 2026 2st meeting of 2026	Review of the Company's 2026 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	April 30, 2026 2st meeting of 2026	Passed as proposed without objection from all attending Directors when inquired by the Chairman. °

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 established the “Procedures for Handling Material Internal Information” and designated a spokesperson, deputy spokesperson, shareholder affairs personnel, and legal advisors, enabling effective handling of shareholder suggestions, inquiries, disputes, and litigation matters.	(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 5% 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’s internal controls cover enterprise-level risk management and operational activities at the process level. It has established the “Supervision and Management Procedures for Subsidiaries” to implement risk control mechanisms for subsidiaries. In addition, the “Procedures for Transactions Between Related Parties” have been established to regulate matters such as the purchase and sale of goods, provision of labor or technical services, and the acquisition or disposal of assets among related companies.	(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			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
<p>3. Composition and duties of the Board of Directors</p> <p>(3).Does the company</p>	V		<p>(3). The Company established the “Board of Directors Performance Evaluation Measures” on August 10, 2017, and</p>	(3) None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>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> <p>(4).Does the company regularly evaluate the independence of CPAs?</p>	V		<p>subsequently amended them on March 20, 2019; December 15, 2020; December 13, 2023;December 18, 2024 and December 23, 2025.The terms of this policy have been disclosed on Market Observation Post System and the Company’s website. The performance evaluation for year 2025 was completed between January and February 2026, and the outcomes were presented to the board of directors meeting held in March 2026. 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> <p>(4). In accordance with the “Corporate Governance Code,” the Company regularly (at least once a year) refers to Audit Quality Indicators (AQIs) to assess the independence and suitability of the appointed accountants.The Company’s Audit Committee evaluates the independence and competency of the certified accountants annually. In addition to requiring the accountants to provide a “Declaration of Detachment and Independence” and the “Audit Quality Indicators (AQIs),” the evaluation is conducted in accordance with the AQI standards. It has been confirmed that, except for fees related to audits and financial or tax cases, the accountants have no other financial interests or business relationships with the Company, and their family members do not violate independence requirements. By referring to AQI information, it is also confirmed that the accountants and accounting firms have audit experience and turnover rates above the industry average and are familiar with the Company’s audit quality control.The evaluation results for fiscal years 2025 and 2026 were discussed and approved by the Audit Committee on February 24, 2025 and March 4, 2026, respectively, and were subsequently submitted to the Board of Directors, which passed resolutions on the same dates approving the assessment of the accountants’ independence and suitability.</p>	(4) None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
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>The Company’s “Corporate Governance Code” designates the Administration Department as the part-time unit responsible for corporate governance. On March 6, 2023, Section Chief Ya-Ling Huang was appointed as the Corporate Governance Supervisor, responsible for corporate governance-related matters. The main duties are as follows:</p> <ol style="list-style-type: none"> 1.Board meeting and shareholders’ meeting affairs, and helping the Company comply with relevant laws concerning board meetings and shareholders’ meetings. 2.Preparation of conference materials and minutes for board meetings and shareholders’ meetings. 3.Assist directors in taking office and continuing their education. 4.Provide the necessary information for Directors and Audit Committee to carry out their business. 5.Assist Directors and Audit Committee in complying with laws and regulations. 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. 7.Handle matters related to changes in Directors. 8. Other matters mentioned in the Articles of Incorporation or contracts. 	None
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		<ol style="list-style-type: none"> 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. 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. 	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
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 Yuanta Securities Co., Ltd. to handle matters relating to shareholders’ meetings.	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (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)? (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		(1) The Company has set up its own website (http://www.fineblanking.com.tw/) 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. (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. (3) 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 (https://mops.twse.com.tw/mops/web/index).	(1) None (2) None (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’	V		(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	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
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)?			<p>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</p> <p>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.</p> <p>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 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, 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</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>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 (http://www.fineblanking.com.tw/) 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. 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. 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</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>time allows. Please see page 87 of the annual report for details on directors’ education in 2025 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&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) The Company’s Purchase of Directors’ and Officers’ Liability Insurance: 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 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</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			operations as well as risk supervision efforts. The board held a total of 6 meetings in 2025 and maintained an attendance rate of 100%.	

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.

In the “Corporate Governance Evaluation” for listed and OTC companies, the Company ranked within the 6%–20% percentile for the 1st to 9th and 11th to 12th sessions in the OTC group, and within the 21%–35% percentile in the 10th session.

In the transition from 2024 to 2025, improvements were made in areas where our company did not score in the previous year, as detailed in the table on the following page.

Corporate governance evaluation outcome - Improvements planned for 2025 in areas where the
Company failed to score during the 2024 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 details and amounts of individual remuneration 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 procedure	No	Further evaluation will be conducted when reporting to the Shareholders' Meeting.
	1.8	Does the company upload the annual report 18 days in advance of the shareholders' meeting?	No	Planning, scheduling, and progress tracking
	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?	No	Pending review and planning.
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	Pending review and planning.
	2.7	Does the number of independent directors in the company exceed one-third of the total number of directors' seats?	No	Pending review and planning.
	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	No	Pending review and planning.
	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	Pending review and planning.
	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	No	External evaluations conducted every three years are yet to be planned.
	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?	No	Pending review and planning.
	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	Pending internal assessment by internal audit personnel regarding certification.
III. Strengthening the structure and operation of the Board of Directors.	3.4	Does the Company announce the annual financial report within two months after the end of the fiscal year?	No	Pending review and planning.
	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	Pending review and planning.
	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	No	Pending review and planning.
	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 oper	No	Pending review and planning.
	4.7	Has the company uploaded the English version of the sustainability report on the Market Observation Post System and the company website?	Yes	
IV. Implementing corporate social responsibility	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?	No	Pending review and planning.
	4.23	Has the company disclosed its policy on linking the compensation of senior executives to ESG-related performance evaluations?	No	Pending review and planning.

2.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

1. Information on members of the Remuneration Committee

March 29, 2026

Title	Criteria Name	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 10-11) 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
Committee Member (Convener)	Cheng-Shong Hong	2	0	100%	Re-elected on May 30, 2023, and assumed the position of convener starting January 1, 2025.
Committee Member	Yi-Min Lin	2	0	100%	Re-elected as convener on May 30, 2023, and completed term as convener on January 1, 2025.
Committee Member	Chia-Chi Kuo	2	0	100%	Re-elected on May 30, 2023

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 2025 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 2025 exhibited none of the above.

3. Progress

Remuneration Committee meeting date	Motion details	Resolution	The Company’s response to the Remuneration Committee’s opinions	Board resolution
February 24 2025 1st meeting of 2025	Discussion on the proposed amendments to the provisions of the Company’s Articles of Incorporation.	After the chair solicited the opinions of all attending members and no objections were raised, the proposal was approved as submitted and forwarded to the Board of Directors for acknowledgment.	No opinion expressed	After the chair solicited the opinions of all attending directors and no objections were raised, the proposal was approved as submitted and submitted to the shareholders for consent.
December 23, 2025 2nd meeting of 2025	Review of 2025 year-end bonus and special bonus payment.	After the chair solicited the opinions of all attending members and no objections were raised, the proposal was approved as submitted and forwarded to the Board of Directors for acknowledgment.	No opinion expressed	Completed the issuance of internal documents on February 13, 2026.
	Proposal on Directors’ and Employees’ Remuneration Allocation and Payment for Fiscal Year 2025	After the chair solicited the opinions of all attending members and no objections were raised, the proposal was approved as submitted and forwarded 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 February 13, 2026. Remuneration to directors: before March 31, 2026.
	Review of the projected allocation percentage for the 2026 director remuneration and employee remuneration.	After the chair solicited the opinions of all attending members and no objections were raised, the proposal was approved as submitted and forwarded 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, 2026 with the consent of the Board of Directors.
	Discussion on the proposed amendments to the provisions of the Company’s ”Regulations on Remuneration of Directors and Employees”.	After the chair solicited the opinions of all attending members and no objections were raised, the proposal was approved as submitted and forwarded to the Board of Directors for acknowledgment.	No opinion expressed	After the chair solicited the opinions of all attending directors and no objections were raised, the proposal was approved as submitted. Internal documents were issued on December 29, 2025.

Remuneration Committee meeting date	Motion details	Resolution	The Company's response to the Remuneration Committee's opinions	Board resolution
December 23, 2025 2nd meeting of 2025	Discussion on the amendment of the "Board of Directors Performance Evaluation Method" of our company.	After the chair solicited the opinions of all attending members and no objections were raised, the proposal was approved as submitted and forwarded to the Board of Directors for acknowledgment.	No opinion expressed	Passed as proposed without objection from attending members when inquired by the chair.
March 4, 2026 1st meeting of 2026	Proposal on the Allocation and Payment of Directors' and Employees' Remuneration for Fiscal Year 2025	After the chair solicited the opinions of all attending members and no objections were raised, the proposal was approved as submitted and forwarded to the Board of Directors for acknowledgment.	No opinion expressed	After the chair solicited the opinions of all attending directors and no objections were raised, the proposal was approved as submitted and submitted to the shareholders for consent.

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 ensured the annual publication of CSR reports each year between 2016 and 2021. Its 2022–2025 sustainability reports have been validated to conform with AA1000 AS:2008/2018 Assurance Standard Type 1 and GRI G4 or GRI core requirements. Starting from 2022, 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.

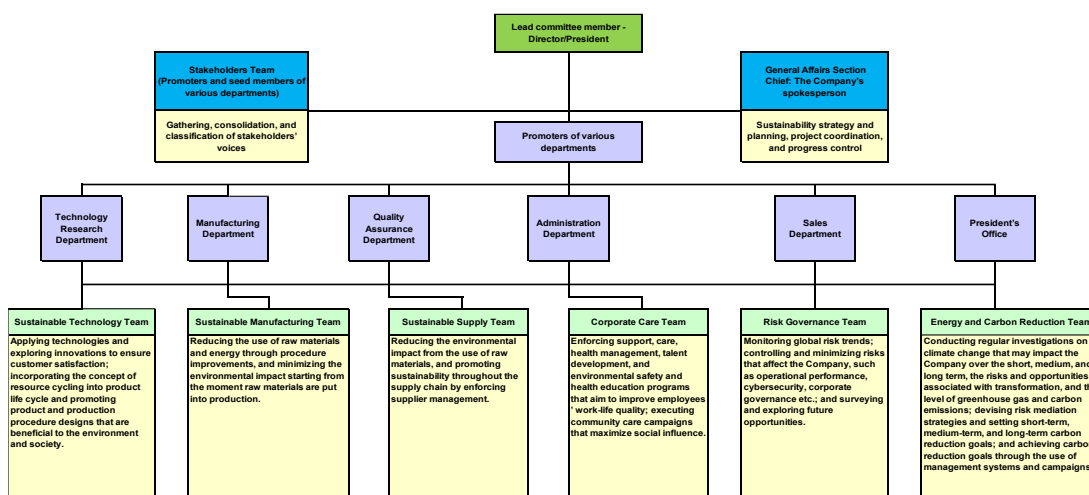
Implementation guidelines for sustainable development

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 2025, 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 2025 were: operational and financial performance, technology and innovation R&D, customer relationship management, procurement policy and supplier management, disclosure of climate-related risks and opportunities, 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 2025 sustainability report.

Core value	Material issue	GRI material topic/Self-defined material topic	Boundary			Value chain
			Within the organization (Direct impact)			
			Taiwan	Suzhou	Vietnam	
Service integrity	Operational and financial performance (profitability)	GRI 201 Economic Performance	●	●	●	● Shareholders (indirect impact), Customers/clients (commercial 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 GRI414 Supplier Social Assessment	●	◎	◎	● Customers/customers (impact from business practices), suppliers/contractors (impact from business practices)
Pro-active accountability	Disclosure of climate-related risks and opportunities	GRI 305 Emissions	●	◎	◎	● Government agencies (indirect impact), group (indirect impact), customers/clients (commercial impact)

Core value	Material issue	GRI material topic/Self-defined material topic	Boundary			
			Within the organization (Direct impact)			Value chain
			Taiwan	Suzhou	Vietnam	
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

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 Unit: Manager Liu, Administration Department

Internal Complaint Phone: 04-7990118 ext. 120

Internal Complaint Email: adm20@fineblanking.com.tw

Below are the channels used to communication with stakeholders in 2025:

Stakeholder	Communication channel and frequency	Issues of concern
Employees	<ul style="list-style-type: none"> ◆ Employee Welfare Committee meetings (irregularly) ◆ Company announcements (irregularly) ◆ Improvement proposal system (irregularly) ◆ Labor-management meetings (quarterly) ◆ Employee mailbox (permanent) ◆ Occupational Safety and Health Committee meetings (quarterly) ◆ Mental counseling for employees (monthly) 	<ul style="list-style-type: none"> ◆ Employee welfare and compensation ◆ Workplace safety and health management ◆ Talent training and development ◆ Operational and financial performance (profitability) ◆ Talent recruitment and retention ◆ Sustainable development strategy
Customers/clients	<ul style="list-style-type: none"> ◆ Business meetings (irregularly) ◆ Customer visits (irregularly) ◆ Customer satisfaction surveys (yearly) ◆ Customer complaint management system (irregularly) ◆ Purchase of product liability insurance (yearly) 	<ul style="list-style-type: none"> ◆ Customer relationship management ◆ Operational and financial performance (profitability) ◆ Technology R&D ◆ Procurement policy and supplier management ◆ Environmental protection system ◆ Disclosure of climate-related risks and opportunities ◆ Workplace safety and health management ◆ Product labeling and product health and safety
Suppliers/contractors	<ul style="list-style-type: none"> ◆ Supplier meetings (irregularly) ◆ Contractor training (irregularly) ◆ Supplier audits (yearly) ◆ Supplier assessments (monthly) ◆ Supplier questionnaires (yearly) 	<ul style="list-style-type: none"> ◆ Procurement policy and supplier management ◆ Operational and financial performance (profitability) ◆ Environmental protection system ◆ Workplace safety and health management ◆ Customer relationship management
Shareholders	<ul style="list-style-type: none"> ◆ Convention of shareholders' meetings (yearly) ◆ Announcement of financial statements (quarterly) ◆ Announcement of consolidated revenue (monthly) ◆ Spokesperson and Investor Relations Department (irregularly) ◆ Market Observation Post System (regularly and irregularly) ◆ Company website (irregularly) 	<ul style="list-style-type: none"> ◆ Operational and financial performance (profitability) ◆ Technology R&D ◆ Sustainable development strategy

Stakeholder	Communication channel and frequency	Issues of concern
Group	<ul style="list-style-type: none"> ◆ Convention of annual general meetings (yearly) ◆ Convention of board meetings (quarterly) ◆ Market Observation Post System (regularly and irregularly) ◆ Company website (irregularly) ◆ Group activities (yearly/quarterly) ◆ Financial information (monthly) ◆ Operational review meetings (monthly) 	<ul style="list-style-type: none"> ◆ Operational and financial performance (profitability) ◆ Technology R&D ◆ Workplace safety and health management ◆ Employee welfare and compensation ◆ Sustainable development strategy ◆ Disclosure of climate-related risks and opportunities
Government agencies	<ul style="list-style-type: none"> ◆ Correspondence and e-mail (irregularly) ◆ Seminars and public meetings organized by government agencies (irregularly) ◆ Government announcements (irregularly) ◆ Energy consumption management (yearly) ◆ Water recycling and reuse (irregularly) ◆ Market Observation Post System (regularly and irregularly) ◆ Environmental compliance audits and mandatory filings (regularly) 	<ul style="list-style-type: none"> ◆ Environmental protection system ◆ Workplace safety and health management ◆ Employee welfare and compensation ◆ Disclosure of climate-related risks and opportunities ◆ Cybersecurity management ◆ Greenhouse gas emission and management

Awards and certifications in 2025.

Category	Organizer/certifier	Award/certification
Sustainable development	Taiwan Institute for Sustainable Energy	18th Corporate Sustainability Report Awards - Conventional Manufacturing - “Bronze Award”
	BSI Taiwan Branch	Won the BSI Sustainability Resilience Pilot Award in 2025.
	BSI Taiwan Branch	The 2024 ESG report complies with the principles of AA1000AS v3 Type 1 application, the GRI Sustainability Reporting Standards, and the SASB Sustainability Accounting Standards.
Economy and corporate governance	Organizer: Taipei Exchange Execution unit: Securities and Futures Institute	In the “Corporate Governance Evaluation” for listed and OTC companies, the Company ranked within the 6%–20% percentile for the 1st to 9th and 11th to 12th sessions in the OTC group, and within the 21%–35% percentile in the 10th session.
	Chinese Total Productivity Management Association	In 2025, awarded the Silver Tower in the Continuous Improvement category as part of the Unity Team participating in continuous improvement activities.

Category	Organizer/certifier	Award/certification
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 2025.
	BSI Taiwan Branch	In 2019, the Company passed certification for the revised version of ISO 50001:2018; this certification was maintained in 2025.
	BSI Taiwan Branch	The 2024 greenhouse gas survey passed validation for ISO 14064-1 in 2025.
	BSI Taiwan Branch	2024 Climate-related Financial Disclosure (TCFD) Level-5: Excellent; verified in 2025.
Social	Chuanghua County Government	Won the “One Tier Award” for employing persons with disabilities above the statutory quota in 2025.
	Chuanghua County Government	he Changhua County Goodwill Breastfeeding Room was certified in 2023 (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 2025, 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) All of the Company’s operational sites have obtained ISO 9001 and IATF 16949 certifications. The Taiwan site was certified under the ISO 14001 Environmental Management System in 2001, and successfully transitioned to ISO 14001:2015 in May 2018. It also received OHSAS 18001:2007 Occupational Health and Safety Management System certification and TOSHMS 2007 certification for Taiwan’s occupational safety and health management system in 2009, and completed the transition to ISO 45001 Occupational Health and Safety Management System certification in May 2019. The Taiwan site was also awarded the 7th Industrial Elite Award in 2006. The operational sites in China obtained ISO 14001 Environmental Management System certification in 2009, and successfully transitioned to ISO 14001:2015 in June 2017.
- (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. Over the past five years (2021–2025), the Taiwan operational site has achieved energy savings through improvement proposals, with realized benefits of NT\$8.03 million, NT\$7.23 million, NT\$11.09 million, NT\$8.08 million, and NT\$8.41 million, respectively. Reuse of water resources.

(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).

Taiwan operational site.

Year	Recycled water (million liters)	Total water intake (million liters)	OPERATING REVENUE (NT\$ million)	Water intensity (Total water intake _thousand liters/ revenue _million)	Compared with 2024, the total water intake in 2025 increased by 4.924 million liters. The water intensity target decreased by 1%, while the actual water intensity increased by 37.64% (Note).
2025	11.487	114.512	921.3	124.29	
2024	13.663	109.588	1,213.6	90.30	
2023	19.928	129.854	1,240.8	104.65	

Note: The target was not achieved due to a 24% decline in revenue in 2025 compared with 2024.

2025 Taiwan and Overseas Operational Sites.

Operational sites	Recycled water (million liters)	Total water intake (million liters)	OPERATING REVENUE (NT\$ million)	Water intensity (Total water intake _ thousand liters/ revenue million)	In 2025, the total water intake was 158.34 million liters, and the water intensity target for 2026 was set to decrease by 1%.
Taiwan	11.487	114.512	2,518.7	62.87	
China	0	14.834			
Vietnam	0	28.994			
Total	11.487	158.340			

(5) Prevention of air and water pollution

At the Taiwan operational sites, 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.

At the Taiwan operational sites, the company's safety management office commissions qualified testing institutions to conduct inspections on various control items at least once a year. In 2025, 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

At the Taiwan operational sites, 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 2025, 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.

Industrial Waste Statistical Table for Taiwan Operational Sites.

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 increased by 60.54% in 2025 compared with 2024 (Note 2).
2025	32.99	184.095	217.085	921.3	0.236	
2024	39.31	139.653	178.963	1,213.6	0.147	
2023	37.57	109.503	147.073	1,240.8	0.118	

Note: (1). For the categories, names, output weights, and disposal methods of business waste, please refer to the Waste Management section of the Sustainability Report.

(2). The target was not achieved due to a 24% decrease in revenue in 2025 compared with 2024 and, since 2024, the grinding iron filings having no recycling value and being classified as waste, which led to an increase in inorganic sludge.

All business waste from each operational site is properly handled by government-approved collection and treatment facilities, and no hazardous business waste is shipped abroad.

Taiwan and overseas operational sites in 2025.

Operational sites	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)	The waste intensity was 0.236, with the target set to decrease by 1% in 2026.
Taiwan	32.990	184.095	217.085	2,518.7	0.236	
China	0.000	37.616	37.616			
Vietnam	268.485	69.978	338.463			
Total	301.475	291.689	593.164			

The Taiwan operational site has established an internal resource recycling management system by formulating the ‘Resource Recycling Standard Operating Procedures’. This aims to improve environmental hygiene, comply with regulatory requirements, and promote the reuse of resources to achieve waste valorization and economic benefits

Year	Recycled Resources (Metric Tons)	OPERATING REVENUE (NT\$ million)	Resource Recycling Intensity (Recycled Resources / Revenue)	Compared with 2024, the amount decreased by 341.774 metric tons in 2025, mainly due to a reduction in scrap iron.
2025	1,638.982	921.3	1.779	
2024	1,980.756	1,213.3	1.632	
2023	2,205.712	1,240.8	1.778	

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

At the Taiwan operational sites, 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 (PRoChem) 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

In 2025, the environmental expenditure of the Taiwan operational site was approximately NT\$10,359 thousand, the environmental expenditure of the China operational site was approximately NT\$631 thousand, and the environmental expenditure of the Vietnam operational site was approximately NT\$4,585 thousand.

For details, please refer to pages 132-134, Section 4, Environmental Expenditure Information.

(10) At the Taiwan operational sites, 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.

The operational sites in China and Vietnam regularly conduct environmental and workplace inspections, and carry out routine operations such as periodic emergency drills.

(11) 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 135 to 142.

5. Climate-related information, greenhouse gas inventory implementation, and energy management system.

At the Taiwan operational sites, 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 to be submitted for the Board of Directors’ report. In 2015, the ISO 14064-1 greenhouse gas (GHG) inventory system was implemented, and the inventory reports from 2015 to 2025 were verified by BSI (verification of the 2025 GHG report is pending update of the electricity emission factor). The Vietnam operational site implemented the ISO 14064-1 GHG inventory system in 2025, and its 2025 inventory report was verified by SGS. At the Taiwan operational sites, 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>Governance ■ 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>■ The TCFD Implementation Committee's Carbon Emission Reduction Subgroup proposes detailed action plans and strategies. Key implementation focuses in 2025 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>Strategy ■ In 2025, 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>Risk Management: ■ In 2025, 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. ※ 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.	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.
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>Metrics and Goals ■ In 2025 a review will be conducted to redefine and set climate change-related management indicators, assessing the degree of goal achievement and performance. ※ 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 67 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 2026, the Taiwan branch of BSI was commissioned to perform the verification of total greenhouse gas emissions in 2025 as of the annual report publication date, verification has been completed, pending the update of the electricity emission factor.

The Taiwan operational site’s inventory emissions for the base year 2021 and for the fiscal years 2023–2025 are shown in the table below:

ISO 14064-1:2006		ISO 14064-1:2018					Remarks	
Category		Type/Year	2022	2023	2024	2025		
Scope 1	Direct Greenhouse Gas Emissions	Category 1	Direct greenhouse gas emissions and removals	1,076.719	814.512	794.566	728.276	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	4,142.986	3,614.834	3,157.267	Purchased electricity
Scope 3	Other Indirect Greenhouse Gas Emissions	Category 3	Indirect greenhouse gas emissions from transport	555.292	131.027	183.297	106.738	Transportation of steel coils
		Category 4	Indirect greenhouse gas emissions from use of organization's products	14,373.294	9,284.957	8,119.616	6,721.578	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	4,957.498	4,409.400	3,885.543		
Total Greenhouse Gas Emissions from Scope 3			14,928.586	9,415.984	8,302.913	6,828.316		
Revenue (in millions of NTD)			1,457.6	1,240.8	1,213.6	921.3		
Scope 1 + Scope 2 Greenhouse Gas Emission Intensity			4.64	4.00	3.63	4.22		
The Scope 1 + Scope 2 greenhouse gas emission intensity for 2024 was 3.64 (kg CO ₂ e / revenue in thousand NTD), a decrease of 21.55% compared to the 2023, the Scope 1 and Scope 2 greenhouse gas (GHG) emission intensity was 4.22 kg CO ₂ e per NT\$1,000 of revenue, a 9.05% decrease compared with the base year 2021 value of 4.64 kg CO ₂ e per NT\$1,000 of revenue (the target was a 10% reduction), and the annual target was not achieved.								

1. Verification Information Explanation for the years 2021, 2023 and 2024 has been verified by the company.

Verification Scope: Taiwan operational site of FINE BLANKING & TOOL 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 was conducted in April 2025, pending the update of the 2025 electricity emission factor. The inventory information as of the annual report publication date is shown in the table below.

The China operational site has not yet conducted an inventory.

The Vietnam operational site's inventory emissions for 2025 are shown in the table below:

Category	Type	HN1-2025	HN2-2025	
Scope 1	Category 1	Direct Greenhouse Gas Emissions	212.11	486.28
Scope 2	Category 2	Indirect greenhouse gas emissions from imported energy	1,402.25	3,615.70
Scope 3	Category 3	Indirect greenhouse gas emissions from transportation	40.55	31.11
	Category 4	Indirect greenhouse gas emissions from the organization's use of products	6,907.36	2,362.22
	Category 5	Indirect greenhouse gas emissions related to the use of the organization's products	Not inventoried	Not inventoried
	Category 6	Indirect greenhouse gas emissions from other sources	Not inventoried	Not inventoried
Total Greenhouse Gas Emissions from Scope 1 + Scope 2			1,614.36	4,101.98
Total Greenhouse Gas Emissions from Scope 3			6,947.91	2,393.33
Revenue (in millions of NTD)			976.63	439.69
Scope 1 + Scope 2 Greenhouse Gas Emission Intensity (tonnes of CO ₂ e /			1.653	9.329

Profile of the Company <input type="checkbox"/> Companies with capital of NT\$10 billion or more – Steel and Cement Industries <input type="checkbox"/> Companies with capital of NT\$5 billion or more but less than NT\$10 billion <input checked="" type="checkbox"/> Companies with capital of less than NT\$5 billion	According to the Roadmap for Sustainable <input checked="" type="checkbox"/> Individual inventory of the parent company <input type="checkbox"/> Assurance of the individual inventory of the parent company	<input type="checkbox"/> Inventory of Subsidiaries in the Consolidated Financial Report <input type="checkbox"/> Assurance of Subsidiaries in the Consolidated Financial Report
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Scope 1	Total emissions (tonnes CO ₂ e)	Intensity (tonnes CO ₂ e/NT\$ million)	Authenticating institution	Statement of conviction
Parent company (Taiwan operational site)	728.276	0.790	BSI Taiwan Branch SGS Vietnam Ltd – Business Assurance	The greenhouse gas inventory emissions of Taiwan operational sites for the 2025 fiscal year have undergone ISO 14064-1:2018 verification in April, and the verification statement is expected to be obtained in June. The greenhouse gas inventory emissions of Vietnam operational sites for the 2025 fiscal year obtained the verification statement in April.
Subsidiary (China operational site)	No inventory yet	NA		
Subsidiary (Vietnam operational site)	698.39	0.493		
Total	1,426.666			
Scope 2	Total emissions (tonnes CO ₂ e)	Intensity (tonnes CO ₂ e/NT\$ million)	Authenticating institution	Statement of conviction
Parent company (Taiwan operational site)	3,157.267	3.427	BSI Taiwan Branch SGS Vietnam Ltd – Business Assurance	The greenhouse gas inventory emissions of Taiwan operational sites for the 2025 fiscal year underwent ISO 14064-1:2018 verification in April 2025. Pending the update of Scope 2 data based on the 2025 electricity emission factor, the verification statement is expected to be obtained in June. The greenhouse gas inventory emissions of Vietnam operational sites for the 2025 fiscal year obtained the verification statement in April.
Subsidiary (China operational site)	No inventory yet	NA		
Subsidiary (Vietnam operational site)	5,017.95	3.543		
Total	8,175.217			
Scope 3 (Taiwan operational site) (Vietnam operational site)	6,828.316 metric tons CO ₂ e (ISO 14064-1:2018 verification scheduled for April) 9,341.240 metric tons CO ₂ e			

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.

The Taiwan operational site has conducted its first greenhouse gas (GHG) inventory in 2015 in accordance with ISO 14064-1:2006, and has commissioned a third-party verification body annually to obtain verification statements.

Since 2020, the Taiwan operational site has estimated emissions from Scope 3 (Categories 3 and 4) in accordance with ISO 14064-1:2018, and engaged third-party verification bodies to verify the data, obtaining verification statements.

The Taiwan operational site's GHG inventory mainly covers Category 1 and Category 2 emissions (formerly Scope 1 and Scope 2), of which approximately 85% is Category 2 purchased electricity. GHG reduction is combined with the energy management system, continuously promoting energy-saving and carbon reduction measures. Therefore, the emission intensity targets for the Taiwan operational site have been reset as shown in the table below:

Comparison Table of Intensity Targets (Intensity Objectives)

Year	2021 (base year)	2022 (Target)	2022 (Achievement)	2023 (Target)	2023 (Achievement)	2024 (Target)	2024 (Achievement)	2025 (Target)	2025 (Achievement)	2026 (Target)	2027 (Target)	2030 (Target)
Greenhouse Gas Emission Intensity (kg CO ₂ e)/ (thousand NTD)	4.64	4.50	4.43	4.36	4.00	4.27	3.63	4.18	4.22	4.08	3.99	3.71
Compared with the base year (%)		-3%	-5%	-6%	-14%	-8%	-22%	-10%	-9%	-12%	-14%	-20%

Note: 1. The base year is 2021. The midterm target aims for a 20% reduction in carbon intensity by 2030. The short-term target spans from 2022 to 2024, with a reduction of 3% per year in 2022 and 2023, from 2024 to 2030, a 2% annual reduction is planned, aiming for a total 20% decrease in carbon emission intensity over 9 years compared to the base year.

2. In 2025, efforts to continue energy-saving and carbon reduction projects were implemented. However, due to a decrease in revenue, the combined Scope 1 and Scope 2 emission intensity decreased by only 9% compared with the base year

(3) Energy and resource management

The types of energy used by the Company in 2025 included electricity, natural gas, gasoline, and diesel. Electricity was the primary form of energy consumed, representing 68.98% of all energy used, while other energy sources accounted for 31.02%.

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 2025, a total investment of 113 thousand NT dollars was made in energy conservation, energy-saving initiatives were implemented, implementing 8 energy-saving projects. This resulted in a total energy saving of 1,449,090 gigajoules and a reduction of 190.8 metric tons of CO₂e emissions. Additionally, energy cost savings amounted to 2.21 million NT dollars. The average annual electricity savings rate from 2015 to 2024 reached 2.295%. In 2025, the electricity savings rate was 2.09%.

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	42,297 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	34,140 degree
4	Air compressor energy consumption reduced	Replacement of old air compressors and improvement of air leakage reports	efficiency improvement	165,480 degree
5	Air compressor energy consumption reduced	Energy control, maintenance and air leakage Improve reporting	efficiency improvement	19,812 degree
6	Air compressor energy consumption reduced	Replacement of old air compressors and improvement of air leakage reports	efficiency improvement	140,796 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	
Total				402,525 degree

In 2025, due to a decrease in revenue, the energy intensity increased by 16.3% compared with 2024. 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, At Taiwan operational site 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 15,524,506 kWh between December 2019 and December 2025, which reduced emissions by 7,670.629 metric tons of CO_{2e}. At FBT, we support the nation's renewable energy policy through action. The Vietnam operational site, through leased solar power equipment, generated a total of 1,762,275 kWh from April to December 2025.

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 135 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 344 people in Taiwan, 515 in Vietnam, and 47 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) To realize the company's management philosophy of nurturing talent and giving back to society, the Taiwan operational site has established industry-academia collaboration programs with Yunlin University of Science and Technology, Chin-Yi University of

Technology, Dayeh University, Chienkuo Technology University, Chung Hua University, and National Changhua University of Education. Since 2003, the site has cooperated with Xiushui Senior High School on work–study programs, accumulating a total of 131 participants to date, 16 of whom are currently employed. In addition, seven university students are currently participating in internships through industry–academia collaboration, including three promoted to Section Chief or Senior Specialist and two promoted to Engineer. In 2026, participation is planned for Chienkuo University’s full academic year industry–academia internship, and in 2028, Xiushui Senior High School students are scheduled for phased work–study internships at the factory. The company will continue to uphold its philosophy by promoting industry–academia collaboration, internships, and site visits, making full use of both school and internal resources. These programs enable students to apply their knowledge, gain educational and economic benefits, adapt to the workplace, and develop technical skills, thereby facilitating skill transfer and nurturing future talent to give back to society. While expanding our operational footprint, we are extending this successful experience abroad. The China operational site has provided 35 interns with opportunities to develop practical skills in the workplace. The Vietnam operational site has not yet implemented industry–academia collaboration; however, we aim to replicate the Taiwan experience and establish a local talent development system in the future.

- (4) In 2025, 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 6.93 (SROI value = Impact/Investment = 1,079,068yuan/155,640 yuan, citing the Digital Humanitarian Association's 2025 annual closing report), indicating the positive effects of the project. We plan to continue promoting this program in 2026.

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 2025, the Company made donations to National Kaohsiung Normal University, Changhua Family Support Center, World Vision Taiwan, Huashan Social Welfare Foundation Shengang Branch, and the YMCA Charity Concert. It also co-organized the “Zhixing Occupational Safety & Family Blood Donation” event with the Health Bureau, Chuansing Industrial Park Service Center, and the Industrial Association, which included health promotion activities such as wellness stations with giveaways. A total of 48 donors participated, donating 68 bags of 250CC blood. Moving forward, the Company will continue to participate in charitable activities and give back to society in accordance with its philosophy of social responsibility.

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 2025 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. 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 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.

In 2025, a total of 13 questionnaires were collected, with a total score of 85 points. All indicators were achieved. Compared with 2024, delivery and service indicators showed slight declines, reflecting that there is still room for improvement in internal delivery management and customer response efficiency.

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.

In 2024, the Vietnam operational site had only two major customers, NISSIN (NBV) and HONDA (HVN), who provided evaluation data. The scores for that year were 100% for both customers.

Starting in 2025, the number of customers increased significantly, with new clients including PIAGGIO (HN1), HVN (2W) (HN2), I I TACHI ASTEMO VP (HN2), and YMVN (HN2). The total number of evaluated customers rose from 2 to 7, all of whom adopted a proactive monthly scoring mechanism, with all annual evaluation scores achieving 100%.

At the China operational site, customers proactively provide feedback on the platform each month. If monthly scores are not submitted, the company conducts quarterly customer satisfaction surveys. Customers are evaluated based on service, quality, and delivery timeliness. In 2025, both proactive monthly evaluations and quarterly survey scores exceeded 90 points.

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 at the Taiwan operational site are required to comply with the company's Supplier Sustainability Statement, which is part of the sustainability report, by signing the declaration. In 2025, all 28 new suppliers utilized the Supplier Sustainability Statement and the Supplier Questionnaire for verification of environmental and social standards, achieving a 100% confirmation and return rate.

At the end of each year, a Supplier Questionnaire is issued, requiring suppliers to complete the survey. In 2025, 62 suppliers were subject to the survey, and the response rate was 100%.

In 2025, the company also continued to hold the Zhuxing Machinery Safety & Health Family and Supplier Exchange Meeting to promote occupational safety and health performance, a healthy workforce, and best practices in occupational safety and health management. A total of 14 suppliers participated, with 15 respondents completing the QR-code survey, achieving a course satisfaction rate of 97.14%. The exchange event was highly effective.

On December 17, 2024 and January 13, 2026, a Supplier Networking Meeting was held to strengthen communication with suppliers to 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	None

Assessment Item	Implementation Status				Nonimplementation and Its Reason(s)																																																														
	Yes	NO	Summary																																																																
			<p>integrates data from various departments and 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 border="1"> <thead> <tr> <th rowspan="3">Major Issue Areas</th> <th rowspan="3">Risk Assessment Items Explanation</th> <th colspan="3">Boundary</th> <th rowspan="3">Value Chain (Indirect Impact) (Business Behavior Impact)</th> <th rowspan="3">Explanation</th> </tr> <tr> <th colspan="3">Within the Organization (Direct Impact)</th> </tr> <tr> <th>Taiwan</th> <th>Suzhou</th> <th>Vietnam</th> </tr> </thead> <tbody> <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&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 2026 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 2026, 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, and completed the 2025 greenhouse gas inventory verification certificate in April 2026. 3. China operations have been certified for ISO 14001 Environmental Management System since 2009, and will continue to operate and pass certification until 2026.</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> </tbody> </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			Value Chain (Indirect Impact) (Business Behavior Impact)	Explanation	Within the Organization (Direct 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. 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Social	Employee Benefits and Compensation	●	●	●	Government Agencies, Group	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.	
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3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics?	V		<p>(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 2026, operations will continue and maintain certification: the Taiwan operation site completed verification of the ISO 14064-1 greenhouse gas inventory system for the previous year (2016 to 2025) each year. The Vietnam operating site passed the verification of the ISO 14064-1 greenhouse gas inventory system for the previous year in April 2026. A Safety Management Office has been created to manage related matters. Please see pages 64-70 for a more detailed description of the implementation of sustainable development.</p>		(1).None																																																														

Assessment Item	Implementation Status			Nonimplementation and Its Reason(s)
	Yes	NO	Summary	
(2) Is the Company committed to improving resource efficiency and to the use 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 2025, the Company passed the verification of the previous year's ISO 14064-1 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 64- 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.	(2).None
(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 2024. These reports were submitted to the Board and verified at Level 5: Excellence. The updated "FBT 2025 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 64-70: Section 5 – Climate-Related Information and GHG Inventory Implementation, and Energy Management System.	(3).None

Assessment Item	Implementation Status		Nonimplementation and Its Reason(s)	
	Yes	NO		Summary
(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 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 pages64-70 and pages 60-63 in the aforementioned sustainability implementation section. The Vietnam operating site established a Greenhouse Gas Inventory Promotion Committee on August 2, 2024, and passed the ISO 14064-1 greenhouse gas inventory system verification for fiscal year 2025 in April 2026.	(4).None
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 135-142 and sections 5.,Labor and capitalRelationship, our company’s sustainability report human rightsand communication chapter.	(1).None
(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and linkoperational performance or achievements with employee salary andcompensation?	V		(2). The Company has established the “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 135-142.	(2).None
(3) Does the Company provide employees with a safe and healthy orkingenvironment, 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 136-138.The Company’s operations in Mainland China obtained ISO 14001 Environmental Management	(3).None

Assessment Item	Implementation Status			Nonimplementation and Its Reason(s)
	Yes	NO	Summary	
			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 2026.No fires or major workplace accidents occurred at any of the Company's operational locations in 2026. There was one occupational accident case involving commuting transportation to and from the factory site. In 2025, 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. 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 138-139, 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 2025. Please see pages 70-74 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	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,	(6).None

Assessment Item	Implementation Status			Nonimplementation and Its Reason(s)
	Yes	NO	Summary	
environmental, occupational safety and health or labor right, and their implementation status?			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 74 for a more detailed description of the implementation of customer service and sustainable development.	
5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquire third party verification or statement of assurance?	V		The Company prepares and publishes its Sustainability Report in accordance with the GRI Standards. The report has been assured by a third-party verification body, BSI (British Standards Institution) Pacific Ltd., Taiwan Branch, based on the AA1000AP:2018 Accountability Principles and the SASB Sustainability Accounting Standards. The assurance results are in compliance with the requirements of AA1000AS v3 Type 1 application, the GRI Sustainability Reporting Standards, and the SASB Sustainability Accounting Standards. The independent assurance statement has been disclosed on the Company's website. The Company's Sustainability Reports for previous years are published on the Company's website: http://www.fineblanking.com.tw/ec99/rwd1280/category.asp?category_id=24	None

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:

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.

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

Please see pages 42-74 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. http://www.fineblanking.com.tw/ec99/rwd1280/category.asp?category_id=31 .

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 “Supplier Sustainability Declaration” 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 Questionnaire Survey Form” 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	
<p>2. Ethic Management Practice</p> <p>(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?</p>	V		<p>(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.</p>	(4).None
<p>(5) Does the company provide internal and external ethical conduct training programs on a regular basis?</p>	V		<p>(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.</p>	(5).None

Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summary	
<p>3. Implementation of Complaint Procedures</p> <p>(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?</p>	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
<p>(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?</p>	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
<p>(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?</p>	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 http://www.fineblanking.com.tw/ 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 2025 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 2025 and up until the publication date of annual report:

Continuing education of directors in 2025 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	2025.06.15	2025.06.15	Taiwan Corporate Governance Association	Key Factors in Industrial Holding and Group Operations	3
		2025.07.20	2025.07.20	Taipei Exchange	Implementing Sustainable Development through the TPEX Market – General Principles	3
Legal Person Director Representative	Jui-Chang Lin	2025.07.09	2025.07.09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit	6
Legal Person Director Representative	Hung-Wuu Li	2025.06.18	2025.06.18	The Greater China Financial and Economic Development Association	Trump Tariff 2.0 – Implementation and Assessment	3
		2025.06.23	2025.06.23	The Greater China Financial and Economic Development Association	The Arrival of the AI Era: Opportunities and Challenges of Corporate Digital Transformation	3
Independent Director	Chia-Chi Kuo	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	New Trump Tariff Policies and Global Economic Changes	3
		2025.11.14	2025.11.14	Securities & Futures Institute	Formosa Plastics Group Listed Companies Training Program – Advanced Seminar for Directors, Supervisors (Including Independent Directors) and Corporate Governance Officers [Overseas Investment and M&A]	3
Independent Director	Yi-Min Lin	2025.05.13	2025.05.13	Taiwan Project Management Association	Training Program for Listed Company Directors – Board of Directors vs. Management Team	3
		2025.08.08	2025.08.08	Taipei Exchange	2025 Seminar on Insider Shareholding for TPEX and Emerging Stock Companies	3
Independent Director	Cheng-Shong Hong	2025.06.23	2025.06.23	The Greater China Financial and Economic Development Association	The Arrival of the AI Era: Opportunities and Challenges of Corporate Digital Transformation	3
		2025.08.08	2025.08.08	Taipei Exchange	2025 Seminar on Insider Shareholding for TPEX and Emerging Stock Companies	3
		2025.10.22	2025.10.22	The Greater China Financial and Economic Development Association	Industrial Development and Future Opportunities of Generative AI	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 2025 and as of the date of report publication

Title	Name	Training date	Organizer	Course name	Training hours
President	Chung-Ming Wu	2025/4/18	Feng Huo Tai Enterprise Co.	APQP Advanced Product Quality Planning & CP Control Plan	7
		2025/7/8	Transform Management Consultants Co. Ltd.	Dale Carnegie – Agile Leadership: Sustainable Growth and Legacy for Jhih Sing	24.5
		2025/5/16	Sanyang Supplier Association	Ultimate Game Theory: Life is Finite, Your Potential is Infinite	3
		2025/11/19	Intelicon Solutions LLC	AI Agent Hands-on Workshop	6
		2025/12/10	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 1) [AI Cases and Application Results]	3.5
		2025/12/17	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 2) [Digital Transformation and AI Strategies]	3
		2025/12/20	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 3) [AI Theory, Technical Architecture & From Analytical AI to Generative AI]	6.5
Manager of the Administration Department and Spokesperson	Mei-Niang Liu	2025/1/22	Industrial Development Administration, Ministry of Economic Affairs	2025 Motorcycle Parts Product Carbon Footprint Industry Communication Meeting (Online via Microsoft Teams)	1
		2025/2/27	Taipei Exchange (TPEX)	2024 Seminar on Promoting the Adoption of International Financial Reporting Standards (IFRS) in Taiwan	2.5
		2025/3/6	Industrial Development Administration, Ministry of Economic Affairs	2025 Industrial Development Administration Low-Carbon Transformation Guidance Seminar	3
		2025/3/11	Taiwan Depository & Clearing Corporation (TDCC)	2025 Shareholders' Meeting Outlook – Online Seminar	1.5
		2025/4/18	Feng Huo Tai Enterprise Co.	APQP Advanced Product Quality Planning & CP Control Plan	7
		2025/5/29	Taipei Exchange (TPEX)	2025 Corporate Governance Evaluation Seminar	2.5
		2025/6/27	Accounting Research and Development Foundation	Continuing Education Program for Chief Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	12
		2025/7/5	Changhua County Government	Industrial Strategies in the Digital Wave – How to Embrace AI Transformation	3.5
		2025/7/8	Transform Management Consultants Co. Ltd.	Dale Carnegie – Agile Leadership: Sustainable Growth and Legacy for Jhih Sing	24.5
		2025/7/15	Yushan National Park	Yushan National Park × Enterprise Sustainability Action ESG Partnership Briefing	2
		2025/7/17	Taiwan Institute for Sustainable Energy (TAISE)	2025 Corporate Sustainability Elite Training Program – Beginner and Advanced Courses	17
		2025/7/18	Quanxing Industrial Service Center	Practical Applications of AI Thinking and Green Energy Technologies	3
		2025/7/22	Financial Supervisory Commission, FSC	Seminar on the Reference Guidelines 2.0 for Sustainable Economic Activities	2
		2025/7/25	Greater Chinese Financial Development Association, GCFDA	2025 New Industrial Landscape: Strategic Planning under Tariff and Geopolitical Risks – Taiwan Purchasing Managers' Business Outlook Seminar	4
		2025/7/29	FINE BLANKING & TOOL CO., LTD.	SDGs and Gender Equality: Building a Gender-Friendly Workplace	2
		2025/8/22	Sanyang Supplier Association	AI Smart Net Zero – Digital Carbon Reduction Tools and Practices	12
		2025/9/17	Greater Chinese Financial Development Association, GCFDA	Trends and Common Issues in the Restructuring of Taiwanese Businesses' Supply Chains in China	3
		2025/10/15	Industrial Development Administration, Ministry of Economic Affairs	Briefing Session on Upgrade and Transformation Resources for the Metal and Electromechanical Industry	4.5
		2025/10/17	Master Union of Industrial Parks, ROC	Corporate HR Exchange Workshop – Building a Sustainable Intergenerational Workplace	3
		2025/10/25	FU SHIH LYUE BUSINESS THINKTANK CO., LTD.	Biodiversity Practical Training Course	7
		2025/10/27	Taipei Exchange (TPEX)	2025 IFRS Sustainability Disclosure Standards Seminar (TPEX-listed Companies, Taipei Session)	3
		2025/10/30	Yuanta Securities Co., Ltd.	2025 Q4 Seminar on Corporate Governance and Sustainability Disclosure	3.5
		2025/11/6	Taiwan Institute of Economic Research (TIER)	2026 Economic Outlook and Industry Trends Seminar	3
		2025/11/12	Global Views Monthly	2026 22nd Global Views ESG Corporate Sustainability Awards Briefing (Online)	1.5
		2025/11/19	Intelicon Solutions LLC	AI Agent Hands-on Workshop	6
		2025/11/25	British Standards Institution (BSI)	2025 BSI International Standards Management Conference – Digital Trust & Sustainable Development Forum	7
		2025/12/4	Taipei Exchange (TPEX)	2026 ESG Evaluation Seminar (Taichung Session)	2.5
		2025/12/10	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 1) [AI Cases and Application Results]	3.5
		2025/12/16	Taipei Exchange (TPEX)	2025 Seminar on Promoting the Adoption of IFRS in Taiwan – Taichung Session	3
		2025/12/17	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 2) [Digital Transformation and AI Strategies]	3
		2025/12/20	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 3) [AI Theory, Technical Architecture & From Analytical AI to Generative AI]	6.5
		2025/12/23	FINE BLANKING & TOOL CO., LTD.	Using AI to Build Your Dreams and Live a Fulfilling Life	3

Title	Name	Training date	Organizer	Course name	Training hours
Administration Department	Ya-Ling Huang	2025/2/10	Yuanta Securities Co., Ltd.	2025 Shareholders' Meeting Special Seminar	3.5
		2025/2/21	Taiwan Investor Relations Institute (TIRI)	Corporate Sustainability – From Focus to Strategy	3
		2025/2/27	Taipei Exchange (TPEX)	2024 Seminar on Promoting the Adoption of International Financial Reporting Standards (IFRS) in Taiwan	2.5
		2025/4/11	Institute of Internal Auditors, Republic of China (IIA ROC)	Key Considerations and Impacts of IFRS S1/S2 on Internal Control and Internal Audit	6
		2025/4/30	Taipei Exchange (TPEX)	2025 Corporate Governance Evaluation Seminar	2.5
		2025/6/27	Accounting Research and Development Foundation	Continuing Education Program for Chief Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	12
		2025/7/8	Transform Management Consultants Co. Ltd.	Dale Carnegie – Agile Leadership: Sustainable Growth and Legacy for Jih Sing	24.5
		2025/7/17	Taiwan Institute for Sustainable Energy (TAISE)	2025 Corporate Sustainability Elite Training Program – Beginner and Advanced Courses	17
		2025/7/22	Financial Supervisory Commission, FSC	Seminar on the Reference Guidelines 2.0 for Sustainable Economic Activities	2
		2025/7/29	FINE BLANKING & TOOL CO., LTD.	SDGs and Gender Equality: Building a Gender-Friendly Workplace	2
		2025/8/6	Taiwan Academy of Banking and Finance	Digital New Taiwan Dollar – The Central Bank's Future Digital Currency	2
		2025/10/2	Taipei Exchange (TPEX)	Seminar on Compliance Requirements for TPEX and Emerging Stock Companies (Taichung Session)	3.5
		2025/10/30	Yuanta Securities Co., Ltd.	2025 Q4 Seminar on Corporate Governance and Sustainability Disclosure	3.5
		2025/11/10	Taipei Exchange (TPEX)	2025 IFRS Sustainability Disclosure Standards Seminar (TPEX-listed Companies, Taichung Session)	3
		2025/11/12	Global Views Monthly	2026 22nd Global Views ESG Corporate Sustainability Awards Briefing (Online)	1.5
		2025/11/19	Intellicon Solutions LLC	AI Agent Hands-on Workshop	6
2025/12/4	Taipei Exchange (TPEX)	2026 ESG Evaluation Seminar (Taichung Session)	2.5		
2025/12/16	Taipei Exchange (TPEX)	2025 Seminar on Promoting the Adoption of IFRS in Taiwan – Taichung Session	3		
Chief Internal Auditor	Pei-Jung Wu	2025/4/11	Institute of Internal Auditors, Republic of China (IIA ROC)	Key Considerations and Impacts of IFRS S1/S2 on Internal Control and Internal Audit	6
		2025/7/29	FINE BLANKING & TOOL CO., LTD.	SDGs and Gender Equality: Building a Gender-Friendly Workplace	2
		2025/11/7	Institute of Internal Auditors, Republic of China (IIA ROC)	Key Internal Control and Internal Audit Practices and Case Studies for Sustainability Information Management	6
		2025/11/19	Intellicon Solutions LLC	AI Agent Hands-on Workshop	6
Auditor	Chun-Hui Shen	2025/2/24	Taiwan Green Productivity Foundation	Guidance Seminar for the Resource Recycling Industry Competitiveness Enhancement Program	3
		2025/3/27	Institute of Internal Auditors, Republic of China (IIA ROC)	Payroll Cycle and Labor Incident Act from the Perspective of Corporate Governance	6
		2025/5/9	Institute of Internal Auditors, Republic of China (IIA ROC)	Advanced Excel Data Editing Workshop for Finance and Auditing (“Hidden Features” Techniques)	6
		2025/7/29	FINE BLANKING & TOOL CO., LTD.	SDGs and Gender Equality: Building a Gender-Friendly Workplace	2
		2025/11/10	Taipei Exchange (TPEX)	2025 IFRS Sustainability Disclosure Standards Seminar (TPEX-listed Companies, Taichung Session)	3

Title	Name	Training date	Organizer	Course name	Training hours
Deputy Manager of the President's Office and Acting Spokesperson	Chun-Chieh Lin	2025/4/18	Feng Huo Tai Enterprise Co.	APQP Advanced Product Quality Planning & CP Control Plan	7
		2025/7/8	Transform Management Consultants Co. Ltd.	Dale Carnegie – Agile Leadership: Sustainable Growth and Legacy for Jihh Sing	24.5
		2025/7/29	FINE BLANKING & TOOL CO., LTD.	SDGs and Gender Equality: Building a Gender-Friendly Workplace	2
		2025/11/19	Intellicon Solutions LLC	AI Agent Hands-on Workshop	6
		2025/12/10	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 1) [AI Cases and Application Results]	3.5
		2025/12/17	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 2) [Digital Transformation and AI Strategies]	3
		2025/12/20	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 3) [AI Theory, Technical Architecture & From Analytical AI to Generative AI]	6.5
Manager of the Sales Department	Neng-Tang Chou	2025/4/18	Feng Huo Tai Enterprise Co.	APQP Advanced Product Quality Planning & CP Control Plan	7
		2025/5/16	Sanyang Supplier Association	Ultimate Game Theory: Life is Finite, Your Potential is Infinite	3
		2025/7/18	Yamaha Motor Taiwan Co., Ltd.	Digital Transformation Practices in Manufacturing	4
		2025/7/29	FINE BLANKING & TOOL CO., LTD.	SDGs and Gender Equality: Building a Gender-Friendly Workplace	2
		2025/12/10	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 1) [AI Cases and Application Results]	3.5
		2025/12/17	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 2) [Digital Transformation and AI Strategies]	3
		2025/12/20	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 3) [AI Theory, Technical Architecture & From Analytical AI to Generative AI]	6.5
		2025/7/8	Transform Management Consultants Co. Ltd.	Dale Carnegie – Agile Leadership: Sustainable Growth and Legacy for Jihh Sing	24.5
Manager of the Quality Assurance Department	Ming-Hsing Lin	2025/4/18	Feng Huo Tai Enterprise Co.	APQP Advanced Product Quality Planning & CP Control Plan	7
		2025/7/8	Transform Management Consultants Co. Ltd.	Dale Carnegie – Agile Leadership: Sustainable Growth and Legacy for Jihh Sing	24.5
		2025/7/29	FINE BLANKING & TOOL CO., LTD.	SDGs and Gender Equality: Building a Gender-Friendly Workplace	2
		2025/8/22	Department of Labor, Taipei City Government	Analysis of Amendments to the Gender Equality in Employment Act and Sexual Harassment Prevention Act and Response Strategies	3
		2025/11/19	Intellicon Solutions LLC	AI Agent Hands-on Workshop	6
		2025/12/10	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 1) [AI Cases and Application Results]	3.5
		2025/12/17	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 2) [Digital Transformation and AI Strategies]	3
		2025/12/20	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 3) [AI Theory, Technical Architecture & From Analytical AI to Generative AI]	6.5
Manager of the Technology Research Department	Jung-Feng Wu	2025/4/18	Feng Huo Tai Enterprise Co.	APQP Advanced Product Quality Planning & CP Control Plan	7
		2025/7/8	Transform Management Consultants Co. Ltd.	Dale Carnegie – Agile Leadership: Sustainable Growth and Legacy for Jihh Sing	24.5
		2025/11/19	Intellicon Solutions LLC	AI Agent Hands-on Workshop	6
		2025/12/10	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 1) [AI Cases and Application Results]	3.5
		2025/12/17	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 2) [Digital Transformation and AI Strategies]	3
		2025/12/20	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 3) [AI Theory, Technical Architecture & From Analytical AI to Generative AI]	6.5
		2025/7/24	Taiwan Transportation Vehicle Manufacturers Association	Applications of AI in Automotive Components	15
Manager of the Manufacturing Department	Chia-Che Chang	2025/4/18	Feng Huo Tai Enterprise Co.	APQP Advanced Product Quality Planning & CP Control Plan	7
		2025/7/8	Transform Management Consultants Co. Ltd.	Dale Carnegie – Agile Leadership: Sustainable Growth and Legacy for Jihh Sing	24.5
		2025/7/24	Taiwan Transportation Vehicle Manufacturers Association	Applications of AI in Automotive Components	15
		2025/7/29	FINE BLANKING & TOOL CO., LTD.	SDGs and Gender Equality: Building a Gender-Friendly Workplace	2
		2025/10/22	Quanxing Industrial Service Center	Practical Training on Fire and Explosion Hazard Prevention Management	3
		2025/11/19	Intellicon Solutions LLC	AI Agent Hands-on Workshop	6
		2025/12/10	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 1) [AI Cases and Application Results]	3.5
		2025/12/17	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 2) [Digital Transformation and AI Strategies]	3
		2025/12/20	Iscom Online International Information Inc.	GSK CORPORATION AI Training and Consulting Services (Session 3) [AI Theory, Technical Architecture & From Analytical AI to Generative AI]	6.5

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

Mar 4, 2026

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 2025:

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, 2025 it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency 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 Mar 4, 2026, 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
2025 Annual General Meeting	May 27, 2025	Acknowledgment of the 2024 business report, financial statements, and consolidated financial statements encompassing business investments.	Resolution passed: Acknowledged 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.
		Acknowledgment of the 2024 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 27, 2025, the board of directors passed a decision to set the baseline date for dividends at June 30, 2025. The payment of cash dividends was completed on July 15, 2025.
		Discussion on the Amendment to the Company's Articles of Incorporation.	Resolution passed: The registration procedures with the Ministry of Economic Affairs were completed on July 28, 2025.

2. Major board of directors resolutions and implementation status

Meeting name	Meeting date	Summary	Resolution and implementation status
1st board meeting of 2025	February 24, 2025	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.
		Review of the Company's 2024 business report, financial statements, and consolidated financial statements encompassing business investments.	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. 2. The material information was released on February 24, 2025. 3. The outcome was announced and uploaded on March 14, 2025. 4. To be reported for acknowledgment during the annual general meeting scheduled on May 27, 2025.
		2024 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. The total allocated amount was NT\$121,058,784. 2. The material information concerning dividends resolved by the board of directors was announced on February 24, 2025. 3. To be reported for acknowledgment during the annual general meeting scheduled on May 27, 2025.

Meeting name	Meeting date	Summary	Resolution and implementation status
1st board meeting of 2025	February 24, 2025	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 FulFill & Co., CPAs.	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 2025.
		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 the proposed amendments to the provisions of the Company's Articles of Incorporation.	The resolution was approved and has been implemented as follows: it was submitted for approval at the shareholders' meeting on May 27, 2025.
		Discussion on the date, venue, and form of the 2025 annual general meeting.	<ol style="list-style-type: none"> 1. On February 24, 2025, material information regarding the date, venue, and agenda of the shareholders' meeting was announced. 2. From March 21 to 8:00 a.m. on March 31, 2025, proposals from shareholders holding more than 1% of the issued shares for this year's annual general meeting were accepted; no proposals were submitted during this period. 3. Stock transfer was suspended from March 29 to May 27, 2025. 4. The period for exercising voting rights electronically was from April 27 to May 24, 2025. 5. The shareholders' meeting was held on May 27, 2025.
2nd board meeting of 2025	April 28, 2025	Review of the Company's 2025 firstquarter consolidated business reports and consolidated financial statements encompassing business investments.	<ol style="list-style-type: none"> 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. 2. The material information was released on April 28, 2025. 3. The financial statements were published and forwarded to the Taipei Exchange on May 15, 2025.

Meeting name	Meeting date	Summary	Resolution and implementation status
3rd board meeting of 2025	May 27, 2025	Determination of the baseline date for cash dividends as part of the 2024 earnings distribution.	Resolution passed: Baseline date for cash dividends - June 30, 2025 (Monday). Payment date - July 15, 2025 (Tuesday) 1. The material information was released May 27, 2025. 2. The announcement for the cash dividend payment was made on June 9, 2025. The baseline date for payment of cash dividends, profit-sharing, or other rights was announced on June 9, 2025. 3. The payment of cash dividends was completed on July 15, 2025.
		Approval of the Resignation of Vice President Hsieh.	On May 27, 2025, the internal personnel dismissal procedure was completed.
4th board meeting of 2025	July 29, 2025	Report on the 2025 first-half performance of the Company and equity-accounted long-term investments (subsidiaries).	1. Resolution acknowledged: To acknowledge the 2025 first-half business report and financial statements, which reported consolidated revenue of NT\$1,297,995,000, net income of NT\$87,494,000, net income attributable to owners of the parent company of NT\$34,623,000, and earnings per share of NT\$0.46. 2. The material information was released on July 29, 2025. 3. The financial statements were published and forwarded to the Taipei Exchange on August 13, 2025.
		Proposal for discussion on the amendment to the Company's "Procedures for Financial and Business Transactions among Related Parties."	The resolution was approved and has been implemented as follows: the internal document issuance procedure was carried out on August 5, 2025, and has been executed in accordance with the relevant regulations from the date of issuance.
5th board meeting of 2025	November 4, 2025	Consolidated financial statements of the Company and consolidated financial statements encompassing business investments for the first three quarters of 2025.	1. Resolution acknowledged: To acknowledge the 2025 three-quarter business report and financial statements, which reported consolidated revenue of NT\$1,908,744,000, net income of NT\$149,396,000, net income attributable to owners of the parent company of NT\$69,548,000, and earnings per share of NT\$0.92. 2. The material information was released on November 4, 2025. 3. The financial statements were published and forwarded to the Taipei Exchange on November 13, 2025.
		Review and approval of the Company's 2024 Environmental, Social, and Governance (ESG) Report.	The resolution was approved and has been implemented as follows: the 2024 Sustainability Report has been published and made available on the company website for stakeholders' reference.
6th board meeting of 2025	December 23, 2025	Review of the 2026 Audit Plan.	The announcement was uploaded before December 24, 2025, and audit operations have been carried out according to the plan since 2026.

Meeting name	Meeting date	Summary	Resolution and implementation status
6th board meeting of 2025	December 23, 2025	Review of the 2025 Year-End Bonus and Special Bonus Distribution.	<ol style="list-style-type: none"> 1. Resolution passed; the cumulative amounts of the year-end bonus and special bonus up until December 2025 shall be estimated and allocated according to the "Year-end Bonus and Special Bonus Allocation and Payment Policy." Payment date: before February 13, 2026. 2. The payment was completed before February 13, 2026, as proposed and resolved.
		Review of the 2025 Board of Directors and Employee Compensation Distribution.	<p>Resolution passed:</p> <ol style="list-style-type: none"> 1. In accordance with the resolutions of the Board of Directors on December 23, 2025, and March 4, 2026, the items have been included in the financial statements for 2025 and incorporated into the 2026 Shareholders' Meeting report. 2. Employee remuneration of NT\$7,172,887 was fully paid on February 13, 2026. Director remuneration of NT\$5,164,478 was fully paid on March 31, 2026.
		Review of the 2026 Business Plan and Financial Statement Budget.	<ol style="list-style-type: none"> 1. Passed the operational plans and projected financial statements for 2026. 2. The 2026 projected financial statements are for internal use only and are not disclosed to the public.
		Discussion on the proposed amendments to the provisions of the Company's "Regulations on Remuneration of Directors and Employees".	The resolution was approved and has been implemented as follows: the document issuance procedure was completed on December 29, 2025, and has been executed in accordance with the relevant regulations from the date of issuance.
		Discussion on amendments to the Company's "Director Remuneration and Employee Remuneration Allocation Policy."	The resolution was approved and has been implemented as follows: the document issuance procedure was completed on January 5, 2026, and has been executed in accordance with the relevant regulations from the date of issuance.
		Discussion on the date of the 2026 Annual Shareholders' Meeting.	<ol style="list-style-type: none"> 1. Resolution passed: To register the date of the annual general meeting at May 28, 2026. 2. On January 5, 2026, the date of the annual general meeting was registered at May 28, 2026 (Thursday). 3. On March 4, 2026, the Board of Directors passed a resolution to set the date of the Annual General Meeting on May 28, 2026 (Thursday), and the 2026 Annual General Meeting was convened as scheduled.
1st board meeting of 2026	March 4, 2026	Discussion on the issuance of the 2025 "Declaration of Internal Control System of Fine Blanking & Tool Co., Ltd."	<p>Resolution passed; implementation status is as follows:</p> <ol style="list-style-type: none"> 1. The outcome was announced and uploaded on March 12, 2026. 2. The details have been disclosed in the 2025 annual report.

Meeting name	Meeting date	Summary	Resolution and implementation status
1st board meeting of 2026	March 4, 2026	Review of the 2025 Board of Directors and Employee Compensation Distribution.	Resolution passed: 1. In accordance with the resolutions of the Board of Directors on December 23, 2025, and March 4, 2026, the items have been included in the financial statements for 2025 and incorporated into the 2026 Shareholders' Meeting report. 2. Employee remuneration of NT\$7,172,887 was fully paid on February 13, 2026. Director remuneration of NT\$5,164,478 was fully paid on March 31, 2026.
		Review of the Company's 2025 business report, financial statements, and consolidated financial statements encompassing business investments.	1. Resolution passed: To acknowledge the 2025 business report and financial statements, which reported full-year consolidated revenue of NT\$2,518,722,000, net income of NT\$203,865,000, net income attributable to owners of the parent company of NT\$98,084,000, and earnings per share of NT\$1.30. 2. The material information was released on March 4, 2026. 3. The outcome was announced and uploaded on March 14, 2026. 4. To be reported for acknowledgment during the annual general meeting scheduled on May 28, 2026.
		2025 earnings distribution proposal.	Resolution passed, with implementation as follows: A cash dividend of NT\$0.8 per common share, totaling NT\$60,529,392, was distributed. The material information regarding the board of directors' resolution on dividend distribution was announced on March 4, 2026. To be submitted for approval at the shareholders' meeting on May 28, 2026.
		Discussion on the regular assessment of CPAs' independence in accordance with regulations and CPA appointment for 2026.	For Fiscal Year 2026, CPA Wu Chin-Ti and CPA Chi Chia-Yu of Ful-Fill & Co., CPAs appointed to perform audit certification both meet the Company's independence assessment criteria, and as of this Board meeting, there have been no disciplinary actions or any matters affecting their independence. Except for internal business adjustments within Ful-Fill & Co., CPAs, there is no need to change the auditors.
		Discussion on the renewal of expiring banking facilities for May 2026 to April 2027.	Resolution passed and carried out accordingly upon the renewal date.
		Discussion on amendments to the Company's "Shareholders' Meeting Rules."	Resolution passed and will be submitted to the shareholders' meeting on May 28, 2026 for approval.
		Discussion on the revision of the company's "Procedure for Acquisition or Disposal of Assets."	Resolution: Based on the Audit Committee's recommendation, the current procedure is deemed consistent with the current situation, and no revisions will be made.
		Discussion on the revision of the company's "Sustainability Code."	Resolution: No revisions will be made to this procedure at this time.

Meeting name	Meeting date	Summary	Resolution and implementation status
1st board meeting of 2026	March 4, 2026	Discussion on the date, venue, and form of the 2026 annual general meeting.	Resolution was passed to convene the 2026 annual general meeting on May 28 2026; implementation status is as follows: 1. The material information in both Chinese and English regarding the shareholders' meeting, including the date, time, location, and agenda, was published on March 4, 2026. 2. It was announced that the company would accept proposals from shareholders holding more than 1% of issued shares for this year's annual shareholders' meeting from March 21, 2026, to 8:00 a.m. on March 31, 2026. No shareholder proposals were received during the acceptance period, as announced on March 10, 2026. 3. Stock Suspension Period: From March 30, 2026 to May 28, 2026. 4. Electronic Voting Period: From April 28, 2026 to May 25, 2026. 5. Scheduled Shareholders' Meeting: May 28, 2026.
		Discussion on the full board re-election proposal.	Resolution passed: At the shareholders' meeting on May 28, 2026, the number of directors to be elected for the next term was set at ten, including three independent directors.
		Discussion on the nomination and qualification review of director candidates.	Resolution passed: The candidate list shall be announced and submitted in accordance with the prescribed schedule for the election at the shareholders' meeting on May 28, 2026.
		Discussion on matters related to the acceptance of nominations by shareholders holding more than 1% of sha	On March 10, 2026, it was announced that from March 21, 2026, to 8:00 a.m. on March 31, 2026, the company would accept written submissions from shareholders holding more than 1% of issued shares to nominate candidates for directors/independent directors. No shareholder nominations were received during the acceptance period.
		Proposal to lift the non-competition restrictions for the company's newly elected directors of the next term.	To be submitted for review after the shareholders' meeting election on May 28, 2026.

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 L & CO., CPAS	Chin-Ti Wu	01/01/2025~12/31/2025	2,560	586	3,146	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 certification services, and annual report- related services, etc.
	Chia-Yu Chi	01/01/2025~12/31/2025				

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	None.	None.
	No longer accepted (discontinued) the engagement	None.	None.
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	None.		
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)	None.		

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	None.
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	None.

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	2025		As of March. 31, 2026	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Major Shareholder Chairman	Chiuan-Dau INVESTMENT Co., Ltd.	566,000	0	146,000	0
	Representative: Chung-Yi Wu	0	0	0	0
Director	(IDEA INVESTMENT Co., Ltd.	18,000	0	1,000	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.	0	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(Note 1)	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

Note 1: On May 27, 2025, Deputy General Manager Chin-Tsu Hsieh resigned due to retirement.

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. Representative: Kuan- Hsing Wu	14,462,693	19.11%	0	0%	0	0%	Chuan Dau Investment Co.,Ltd. GSK Investment Development Co, Ltd. GSK CORPORATION.	Common chairman Common chairman Common chairman	
	135,024	0.18%	0	0%	0	0%	MEDCARE MANUFACTURING INC.	Is a relative within the second degree of kinship of the Chairman of the Board.	
GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	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 chairman	
	28,948	0.04%	0	0%	0	0%	None	None	
Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung-Yi Wu	8,142,668	10.76%	0	0%	0	0%	GSK CORPORATION. Chuan Tai Investment Co.,Ltd. GSK Investment Development Co, Ltd.	Common chairman Common chairman Common chairman	
	1,310,631	1.73%	135,024	0.18%	0	0%	GSK CORPORATION. Chuan Tai Investment Co.,Ltd. GSK Investment Development Co, Ltd. Yu-Mei Wu	Common chairman Common chairman Common chairman relatives within the second degree of kinship	
Taiwan Fu Hsing Industrial Co., Ltd. Person in charge: Jui-Chang Lin	7,552,867	9.98%	0	0%	0	0%	None	None	
	0	0%	0	0%	0	0%	None	None	
GSK Corporation Representative: Chung-Yi Wu	2,625,513	3.47%	0	0%	0	0%	Chuan Tai Investment Co.,Ltd. GSK Investment Development Co, Ltd. Chiuan-Dau INVESTMENT Co., Ltd.	Common chairman Common chairman Common chairman	
	1,310,631	1.73%	135,024	0.18%	0	0%	Chuan Tai Investment Co.,Ltd. GSK Investment Development Co, Ltd. Chiuan-Dau INVESTMENT Co., Ltd. Yu-Mei Wu	Common chairman Common chairman Common chairman relatives within the second degree of kinship	
MEDCARE MANUFACTURING INC. Person in charge: Tai-Xing Wu	2,069,970	2.74%	0	0%	0	0%	None	None	
	4,000	0.01%	0	0%	0	0%	Chuan Tai Investment Co.,Ltd.	Is a relative within the second degree of kinship of the company's representative	

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	
Yun-Mei Li	1,634,000	2.16%	0	0%	0	0%	None	None	
Sheng-Mei Zhuang	1,465,000	1.94%	0	0%	0	0%	None	None	
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. Chuan Tai Investment Co.,Ltd. Yu-Mei Wu	Common chairman Common chairman Common chairman Common chairman relatives within the second degree of kinship	
Yu-Mei Wu	1,146,484	1.52%	0	0%	0	0%	Chung-Yi Wu	relatives within the second degree of kinship	

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 3/29/2026 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	%
SUPERIORITY ENTERPRISE CORP (Note2)	48,000	100%	0	0%	48,000	100%
PROFITIOUS INTERNATIONAL INC.(Note3)	22,717	55.75%	17,020	41.77%	39,737	97.52%

Note : 1.ong-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.PROFITIOUS 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 03/29/2026 Unit: Shares /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 03/29/2026 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 03/29/2026 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%
Chiuan-Dau Investment Co., Ltd.	8,142,668	10.76%
Taiwan Fu Hsing Industrial Co., Ltd.	7,552,867	9.98%
GSK Corporation	2,625,513	3.47%
Medcare Manufacturing Inc.	2,069,970	2.74%
Yun-Mei Li	1,634,000	2.16%
Sheng-Mei Chuang	1,465,000	1.94%
Chung -Yi Wu	1,310,631	1.73%
Yu-Mei Wu	1,146,484	1.52%

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%. At least 60% of the employee compensation allocated under the preceding provision shall be distributed to frontline employees. 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 March 4, 2026 of the Republic of China to appropriate the undistributed profits as of the end of fiscal year 2025 as follows: Statutory surplus reserve: NT\$ 9,808,425, Allowance for translation adjustments on foreign currency-denominated long-term investments overseas: NT\$41,901,265, Cash dividends on ordinary shares: NT\$60,529,392, at NT\$0.8 per share.

Dividends for the last 5 years are explained in the following table. Earnings per share for 2025 decreased by 47% compared to 2024, and the dividend per share for fiscal year 2025 decreased by 50% compared to fiscal year 2024.

Item/Year	2021	2022	2023	2024	2025(Note1)
Earnings per Share (NTD)	2.40	2.82	2.40	2.44	1.30
Cash dividends (NTD)	1.60	2.00	1.60	1.60	0.80
Stock dividends (NTD)	0.00	0.00	0.00	0.00	0.00
Payout ratio	66.67%	70.92%	66.67%	65.57%	61.54%

Note: 1. 2025 dividends are pending approval in the 2026 annual general meeting.

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%. At least 60% of the employee compensation allocated under the preceding provision shall be distributed to frontline employees. 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\$7,172,887 and director remuneration totaling NT\$5,164,478 were estimated for 2025 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 meetings on December 13, 2025, and March 4, 2026 were included in the financial report for approval by the board

of directors on March 4, 2026.

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 2025:

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 2025 employee remuneration and director/supervisor remuneration resolved by the board of directors on December 23, 2025, and March 4, 2026, 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	7,172,887	7,172,887	0	None	Cash or wire transfer
Directors' Remuneration	Directors of the Company	5,164,478	5,164,478	0	None	Cash or wire transfer
Total		12,337,365	12,337,365	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 (2024) 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	12,772,000	12,772,000	12,772,000	0	None	Cash or wire transfer
Director/supervisor remuneration	9,196,000	9,196,000	9,196,000	0	None	Cash or wire transfer
Total	21,968,000	21,968,000	21,968,000	0	—	—

3.1.6 Buyback of company shares: None.

3.2 Bonds : None.

3.3 Preferred shares: None.

3.4 Global Depository 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	2025	
	Consolidated operating revenue, (thousands)	Operating ratio (%)
Fine blanking parts	790, 765	31. 39%
Brake discs	639, 229	25. 38%
Car seats, saddles	971, 657	38. 58%
Others	117, 071	4. 65%
Total	2, 518, 722	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.

Drive train – transmission rod assemblies.

(2)Scooter and motorcycle parts :

Safety system – Brake discs, smart discs, Forged discs, ABS Sensor discs, floating discs..

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, pedal assemblies, Spring Assembly.

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

(7) Personal Watercraft – Steering Mechanism.

(8) Server Guide Rail – 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. Motorcycle and parts manufacturing industry

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 Motorcycles Data and related media reports, the global motorcycle market in 2025 grew approximately 4.7% compared with 2024. 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.

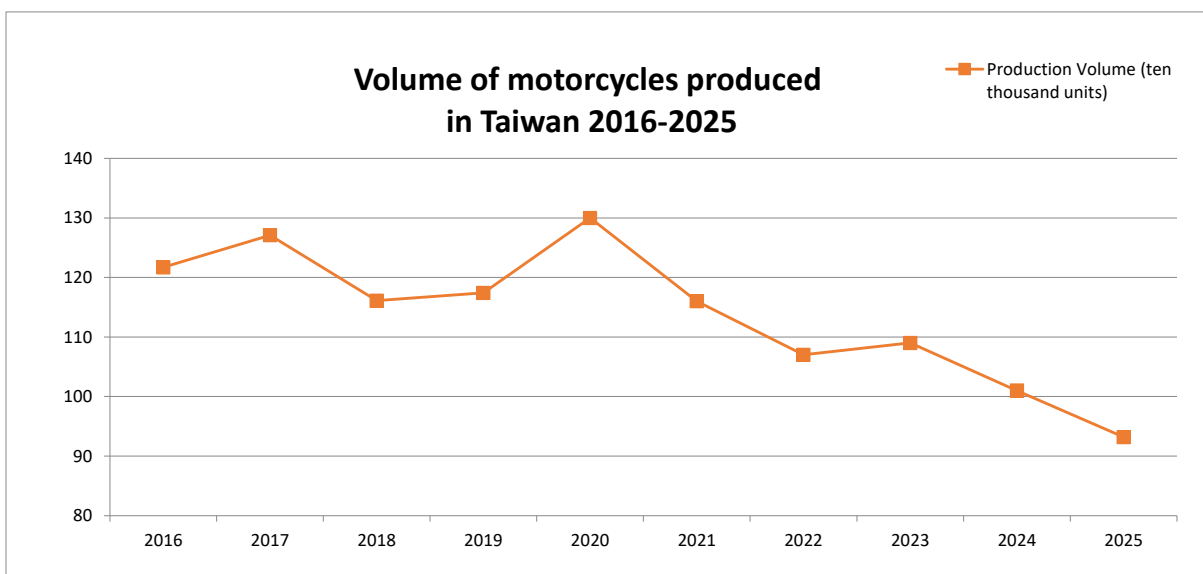
According to the statistics from the Taiwan Vehicle Industry Association, the domestic sales in Vietnam from 2014 to 2019, sales exceeded 3 million vehicles. However, due to the impact of the pandemic, sales decreased to approximately 2.68 million vehicles in 2020 and 2.47 million vehicles in 2021. In 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 2.62 million motorcycles in the Vietnamese market in 2025, showing a year-on-year decrease of 1.5%.

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 Domestic sales of completely built-up (CBU) units have experienced a gradual decline since peaking at 1.19 million units in 1994. 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 was approximately 41% in 2009 and declined to approximately 36.75%, 25.22%, 29.21%, and 26.39% from 2022 to 2025, 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:



Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Production volume (10,000 units)	121.7	127.1	116.1	117.4	130	116	107	109	101	93.2
Percentage increase (decrease) (%)	8.8	4.4	(8.7)	1.1	10.7	(10.8)	(7.8)	1.9	(7.3)	(7.7)

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%, export Volume from 2011 to 2019

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019
Export Volume	570,000 units	480,000 units	420,000 units	499,000 units	455,000 units	427,000 units	337,000 units	334,000 units	324,000 units

From 2020 to 2021, the number of units sold increased to 356,000 and 386,000 units, respectively, due to the impact of the COVID-19 pandemic. From 2023 to 2025, the figures were 276,000, 295,000, and 246,000 units, respectively. In recent years, the substantial subsidies provided by local

governments have driven significant growth in electric vehicle sales. In particular, the sales volume of Gogoro from 2018 to 2025 is as follows:

Year	2018	2019	2020	2021	2022	2023	2024	2025
Sales Volume (units)	72,000	146,000	82,000	77,000	66,000	55,000	53,000	29,000
Year-over-Year Change (%)	109.3%	102.8%	-43.8%	-6.1%	-14.3%	-16.7%	-3.6%	-45.3%

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 2026 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, the market is expected to maintain its growth momentum in the future. 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 ,2023 and 2024, global vehicle sales were approximately 80.32 million,88.37 million and 86.84 million units, respectively. The figures for 2025 are projected to reach 92.7 million units.

According to the above information, the five largest global automobile markets in recent years are China, the United States, India, Japan, and Germany, in descending order.

According to reports from the Taiwan Vehicle Manufacturers Association, the production volumes of automobiles in Mainland China from 2013 to 2022 are as follows:

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Production Volume (10,000 units)	1,793	1,971	2,121	2,438	2,472	2,371	2,371	2,580	2,531	2,608

From 2023 to 2025, automobile production and sales continued to increase, as shown below:

Year	2023	2024	2025
Production Volume (10,000 units)	3,016.1	3,075	3,453.1
Sales Volume (10,000 units)	3,009.4	3,144	3,440
Production Growth (%)	8.20%	1.96%	10.4%
Sales Growth (%)	9.90%	4.5%	9.4%

The world’s largest market, 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 the Taiwan Vehicle Industry Monthly, the sales volumes in Taiwan from 2013 to 2025 are as follows:

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sales Volume (10,000 units)	34.1	37.80	34.6	31.4	29.5	25.9	25.2	24.6	26.5	26.2	28.5	27.5	23.6
Growth (Decline) %	↑ 0.12%	↑ 0.69%	↓ -8.41%	↓ -9.28%	↓ -5.9%	↓ -12.43%	↓ -2.7%	↓ -2.21%	↑ 7.64%	↓ -0.91%	↑ 8.67%	↓ -3.60%	↓ -14.18%

Currently in Taiwan 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 the proportion of parts exports in total industry exports has increased year by year, thus stimulating the development of related industries.

According to the statistics published in the Automobile Industry Monthly by the Taiwan Transportation Vehicles Manufacturers Association, the export values of Taiwan's automobile parts from 2012 to 2015 are as follows:

Year	2012	2013	2014	2015
Export Value	194,761,011	197,874,028	207,693,818	214,466,964
Change from Previous Year (%)	5.40%	1.60%	4.96%	3.26%

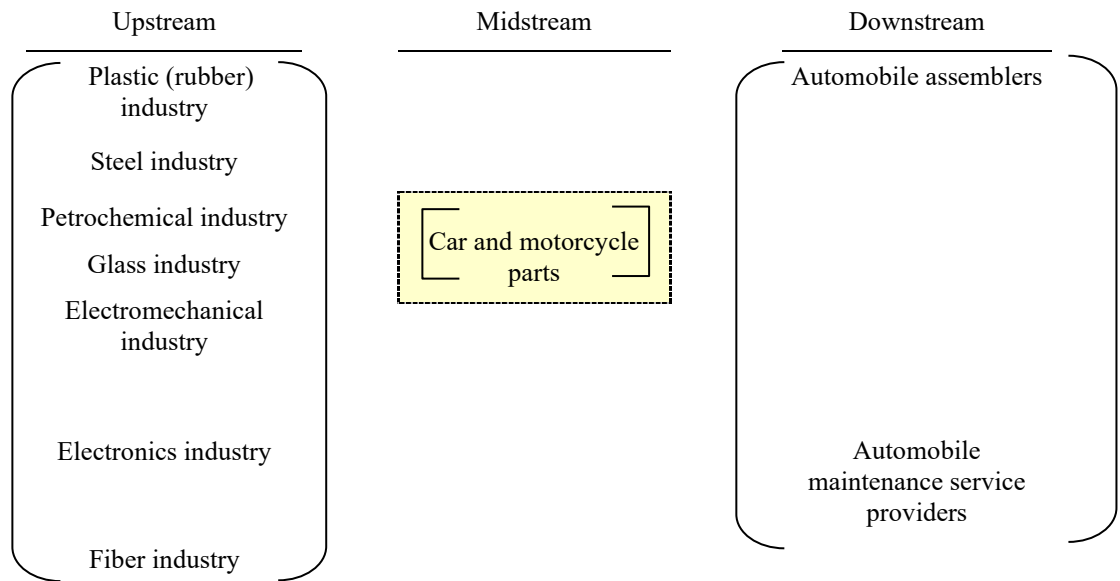
The export values of Taiwan's automobile parts from 2016 to 2025 are as follows:

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Export Value	211,312,602	214,970,596	214,723,746	214,766,621	192,723,840	220,826,246	229,347,674	225,407,754	228,480,266	214,696,536
Change from Previous Year (%)	-1.47%	1.73%	-0.11%	0.02%	-10.26%	14.58%	3.86%	-1.72%	1.36%	-6.03%

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:

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

In the future 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 and motorcycles utilize a wide range 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. 2025 Consolidated R&D expenses up until the publication date of the annual report

Unit ; NT\$ thousands

Item	Year		Remarks
	2025	Up until 2026/3/31	
Product R&D expenses	22,510	5,723	R&D expenses presented as operating expense
As a percentage of revenue	0.89%	0.97%	

4.1.3.2 2025 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. Drive train – transmission rod assemblies.	Automobile parts
Safety system – Brake discs, smart discs, Forged discs, ABS Sensor discs, floating discs. 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. By leveraging MES systems and AI agent tools to optimize operational workflows, and continuously implementing TPS and TPM activities, project improvements, and improvement proposals, overall operational efficiency and effectiveness are enhanced.
- 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. By leveraging AI Agent tools to optimize indirect operational workflows, efficiency and quality are improved, thereby creating additional value for the company.
 - D. 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		2023		2024		2025	
		revenue amount	(%)	revenue amount	(%)	revenue amount	(%)
Overseas sales	Europe	56,315	1.97	49,782	1.71	29,130	1.16
	Americas	27,211	0.95	27,393	0.94	12,674	0.50
	Asia	1,666,421	58.27	1,750,935	60.18	1,620,619	64.34
	Other Area	0	0	0	0	0	0
Total		1,749,947	61.19	1,828,110	62.83	1,662,423	66.00
Domestic sales (including traders)		1,110,093	38.81	1,081,399	37.17	856,299	34.00
Total		2,860,040	100.00	2,909,509	100.00	2,518,722	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.2025 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	384,982	41.29%	70%	28.90%
KYMCO	330,196	35.42%	70%	24.79%
Yamaha Taiwan	153,385	16.45%	55%	9.05%
Suzuki Taiwan	18,553	1.99%	0%	0.00%
PGO	14,234	1.53%	50%	0.77%
Gogoro	26,886	2.88%	95%	2.74%
China Motor	4,118	0.44%	0%	0.00%
Total	932,354	100.00%	—	66.25%

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

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
No. of motorcycles produced in Taiwan (thousands)	1,217	1,271	1,161	1,174	1,298	1,164	1,070	1,093	1,010	932
Market share of the Company (%)	76.49%	77.03%	74.99%	78.32%	75.21%	72.61%	73.41%	72.60%	67.56%	73.53%

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 2025:

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 2025, 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 Autoliv, 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 annual production volumes of metal seat belt parts by the Company's Taiwan and China subsidiaries from 2019 to 2025 were approximately 12 million, 10 million, 10 million, 6.5 million, ... pieces, respectively. Compared with global vehicle sales of approximately 91 million, 79 million, 83 million, 82 million, 88 million, 86.84 million, and 92.7 million units from 2020 to 2025, the Company's production accounted for approximately 1.45% to 2.5% of the seat belts used worldwide.

4.2.1.2.3. Motorcycle Seat

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 2022 to 2025, the market share in Vietnam was about 66%, 72%, 72% and 67% 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 2022 to 2025, 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 1.29% of the Company's revenue in 2025 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 1.06 % of the revenue in 2025, 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). The domestic sales volumes from 2021 to 2025 are as follows:

Year	2021	2022	2023	2024	2025
Domestic Sales	801,000	679,000	817,000	715,000	687,000
Volume	units	units	units	units	units

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 the market remained broadly stable over the two years, this indicates that the Vietnamese motorcycle market has gradually returned to pre-pandemic stability, although growth momentum is showing signs of slowing. 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. the sales volume from 2017 to 2025 is as follows:

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sales Volume (10,000 units)	295,000 units	259,000 units	252,000 units	246,000 units	265,000 units	262,000 units	285,000 units	275,000 units	236,000 units
Growth (Decline) %	-5.90%	-12.43%	-2.70%	-2.21%	7.64%	-0.91%	8.67%	-3.60%	-14.18%

Considering that the total output value of the industry is approximately NT\$200 billion, according to statistics published by the Taiwan Transportation Vehicles Manufacturers Association, the industry's production value from 2014 to 2021 is as follows:

Year	2014	2015	2016	2017	2018	2019	2020	2021
Production value (NT\$100 million)	2,216	2,081	1,906	1,831	1,661	1,674	1,705	1,921

Although the automotive parts manufacturing sector has a high level of R&D capability, it cannot, as a standalone market, independently support the long-term development of the automotive industry. Therefore, exports of automotive components have been maintained at a certain level.

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 2016 and 2025:

Unit: NT\$100 million

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Amount	2,113	2,150	2,150	2,150	1,927	2,208	2,293	2,254	2,285	2,147
Growth rate	-1.47%	1.73%	-0.11%	0.02%	-10.26%	14.58%	3.86%	-1.72%	1.36%	-6.04%

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

According to Automobile Industry Monthly and international industry intelligence reports, global car sales were approximately 83 million units in 2021, 80.32 million units in 2022, 88.37 million units in 2023, and 86.84 million units in 2024, with an estimated 92.7 million units in 2025.

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. According to reports published by the Taiwan Transportation Vehicles Manufacturers Association, the production volume of automobiles in Mainland China from 2013 to 2022 is as follows:

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Production Volume (10,000 units)	1,793	1,971	2,121	2,438	2,472	2,371	2,580	2,531	2,608	2,705

In 2022, production recovered to approximately 27 million units. Subsequently, driven by new energy vehicles and domestic demand, production exceeded 30 million units in both 2023 and 2024, and further increased to approximately

34.53 million units in 2025, reaching a historical high. This indicates that China's automotive industry continues to expand and remains the world's largest market.

In the future, in order to capture opportunities in the Chinese automotive market, domestic related manufacturers are no longer limited to investments made by Taiwanese parent companies or Taiwanese investors in Mainland China. In recent years, they have gradually expanded their market scale through strategic alliances or equity swaps, aiming to play a role in international division of labor within 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.

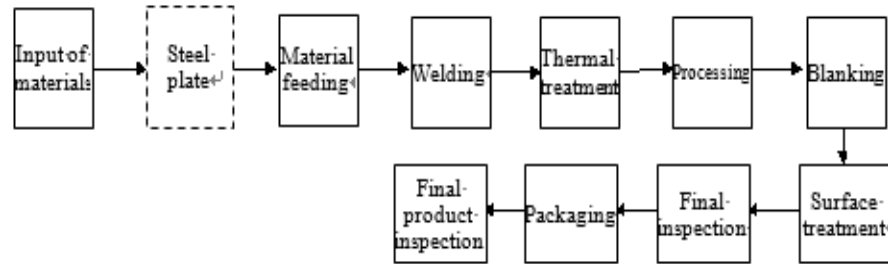
4.2.2. Production Procedures of Main Products

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

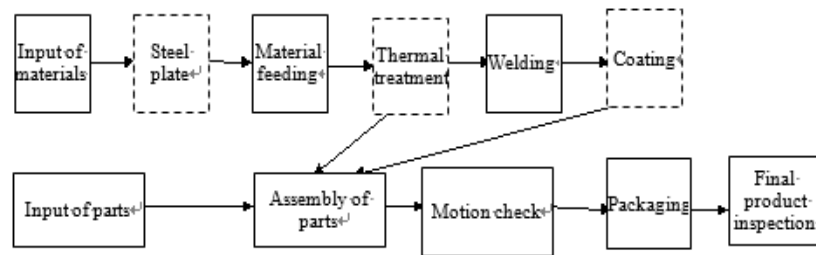
- (1). Recliners : Can be used for car seats in passenger vehicles, forklifts, and special purpose vehicles.
- (2). Brake discs : Brake discs for motorcycles and bicycles.
- (3). Gears : For motorcycle transmission and starter gear sets.
- (4). Fine blanking parts : The product can be used in office 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:

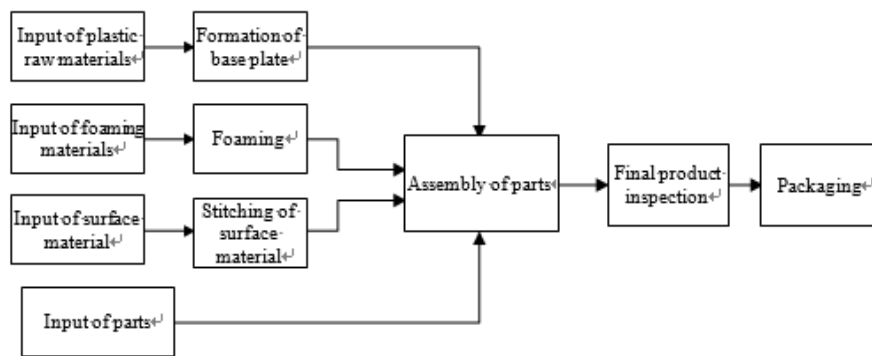
(1) Production flowchart for cogwheels, brake discs, and precision stamped parts:



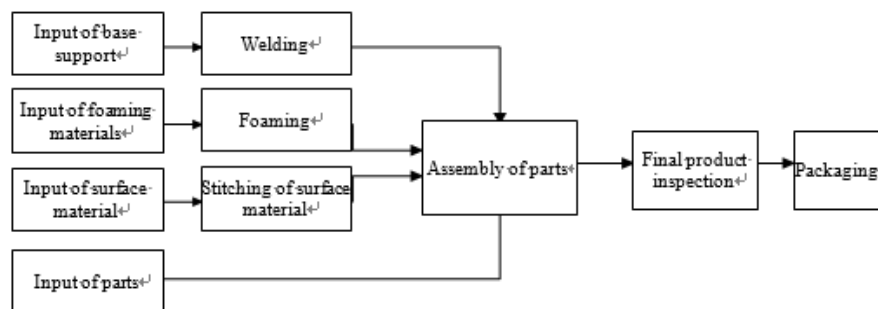
(2) Production flowchart for recliners, sliders, and handbrakes:



(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 2024, 2025 and the first quarter of 2026; 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	2024				2025				Up to the preceding quarter of the current fiscal 2026			
	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
1	HT	440,490	28.80%	None	HT	474,810	34.82%	None	HT	106,366	32.06%	None
2	(US company H)	113,497	7.42%	None	(US company H)	103,368	7.58%	None	(US company H)	23,677	7.14%	None
3	(Japanese company K)	91,095	5.96%	None	PHU LAM	60,484	4.44%	None	(Japanese company K)	19,613	5.91%	None
	Other (None exceeded 10%)	884,510	57.82%		Other (None exceeded 10%)	724,913	53.16%		Other (None exceeded 10%)	182,113	54.89%	
	Net Total Supplies	1,529,592	100%		Net Total Supplies	1,363,575	100%		Net Total Supplies	331,769	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 2024, 2025, and the first quarter of 2026, the ratio of total net purchases to net revenue was approximately 52.57%, 54.14%, 56.08% and, 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 2026 was reviewed and completed by the accountant on April 30, 2026.

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

The Company had there were two customers in 2024 and in the first quarter of 2026, and three customers in 2025.; the amounts sold and relative percentage to net sales in the respective years are explained below:

Unit: NT\$ thousand; %

Item	2024				2025				Up to the preceding quarter of the current fiscal 2026			
	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of net sales up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
1	HO	1,107,569	38.07%	None	HO	1,035,861	41.13%	None	HO	233,966	39.55%	None
2	GSK CORPORATION	463,906	15.94%	Counterparty's chairperson is the Company's corporate director representative	GSK CORPORATION	294,538	11.69%	Counterparty's chairperson is the Company's corporate director representative	GSK Technologies Inc.	61,940	10.47%	Counterparty's chairperson is the Company's Chairman
3	GSK Technologies Inc.	280,728	9.65%	Counterparty's chairperson is the Company's Chairman	GSK Technologies Inc.	260,284	10.33%	Counterparty's chairperson is the Company's Chairman	GSK CORPORATION	55,476	9.38%	Counterparty's chairperson is the Company's corporate director representative
	Others	1,057,306	36.34%		Others	928,039	36.85%		Others	240,204	40.60%	
	Net Sales	2,909,509	100%		Net Sales	2,518,722	100%		Net Sales	591,586	100%	

A. Cause of variation:

In 2025, consolidated net revenue decreased by 13.43% compared to the same period of the previous year. Sales to Customer HO remained relatively stable, mainly reflecting fluctuations in the Vietnamese market. Sales to Customer GSK Technologies Inc. in 2025 decreased compared to 2024 due to the impact of tariff-related political factors, which led to reduced orders for motorcycle brake discs, snowmobile brake discs, and heavy motorcycle components from overseas customers. Sales to Customer GSK CORPORATION also declined in 2025 compared to 2024, as orders for golf cart components were affected by tariff-related political factors. In the first quarter of 2026, sales to Customer GSK CORPORATION continued to fluctuate due to the impact of U.S. tariffs.

- B. In 2024 and in the first quarter of 2026, the Company had only two customers each representing more than 10% of total sales, and in 2025, three customers exceeded this threshold. With over 150 customers in total, the Company's overall revenue base is well-diversified, indicating no risk of excessive sales concentration.
- C. In financial data for the first quarter of 2026 was reviewed and completed by the accountant on April 30, 2026.

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 2026

Year		2024	2024	Current year up until 3/31/2026
Number of Employees	Direct Labor	563	518	508
	Indirect labor	217	230	195
	Sales, administration, and research personnel	188	158	195
	Total	968	906	898
Average Age		37.75	39.13	40.06
Average Years of Service		7.37	8.14	8.7
Education	Ph.D	0.10%	0.11%	0.11%
	Masters	0.93%	0.88%	0.89%
	Bachelor's Degree	26.76%	27.70%	27.95%
	Senior High School	47.73%	50.01%	50.23%
	Below Senior High	24.48%	21.30%	20.82%

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 Taiwan operational site 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. The budget target for 2025 was NT\$7.5 million, while the cumulative actual expenditure from January to December 2025 amounted to NT\$8.41 million. The improvement measures include resource conservation, waste reduction, and enhancement of equipment pollution prevention, all of which have achieved significant results. Environmental protection expenses for various environmental safety and health inspections, waste disposal, and environmental beautification improvements in 2025 amounted to approximately NT\$10,359 thousand.

Item	Description		Amount (NT\$ thousand)		Remarks
1	Pollution control charges	Waste water treatment	1,604	1,736	
		Prevention of soil pollution	15		
		Air pollution control	117		
2	Routine equipment operation and servicing charges		2,253		
3	Environmental protection, treatment, water, and power expenses		800		Estimated value
4	Wastewater fee		1,276		
5	Testing fee		510		
6	External training charges		77		
7	Environmental protection personnel expenses		1,165		
8	Waste disposal charges		2,542		
Total			10,359		

Environmental Protection Expenditure of China Operational Sites in 2025.

Item	Description		Amount (NT\$ thousand)		Remarks
1	Pollution control charges	Waste water treatment	9	9	
		Prevention of soil pollution	0		
		Air pollution control	0		
2	Routine equipment operation and servicing charges		0		
3	Environmental protection, treatment, water, and power expenses		87		
4	Wastewater fee		1		
5	Testing fee		109		
6	External training charges		11		
7	Environmental protection personnel expenses		0		Responsibilities also assumed by general affairs and security staff.
8	Waste disposal charges		414		
Total			631		

Environmental Protection Expenditure of Vietnam Operational Sites in 2025

Item	Description	Amount (NT\$ thousand)		Remarks
1	Pollution control charges	Waste water treatment	28	53
		Prevention of soil pollution	18	
		Air pollution control	7	
2	Routine equipment operation and servicing charges	18		
3	Environmental protection, treatment, water, and power expenses	657		Estimated value
4	Wastewater fee	1, 339		
5	Testing fee	466		
6	External training charges	85		
7	Environmental protection personnel expenses	0		Responsibilities also assumed by general affairs and security staff.
8	Waste disposal charges	1, 967		
Total		4, 585		

The Company encountered no leaks of pollutants or violations of environmental laws in 2025 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 2025 and 2024, 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 6 to 331 and 337. The "mean salary" of non-managerial full-time employees was NT\$469,000 and NT\$520,000 in the respective years, representing a NT\$51,000 decreased. The average salary of full-time male employees not holding managerial positions is NT\$484,000, while the average salary of full-time female employees not holding managerial positions is NT\$439,000. Whereas the "median salary" of non-managerial full-time employees was NT\$419,000 and NT\$471,000, respectively, representing a NT\$52,000 decreased. The median salary of full-time male employees not holding managerial positions is NT\$426,000, while the median salary of full-time female employees not holding managerial positions is NT\$405,000.
- (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 2025, 7 male and 5 female employees were eligible to apply for parental leave without pay. Of these, no male employees applied, while 1 female employees applied. Among the 1 female employees who applied in 2025, the return-to-work rate was 100%, and in 2024, 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) Providing a Safe Working Environment for Employees
Providing a safe working environment has always been a core objective of the company. All operational sites continuously implement occupational safety and health measures.
In addition to conducting internal environmental inspections, each site commissions external agencies to perform regular workplace environment monitoring and periodic inspections of hazardous machinery and equipment to ensure employees operate in a safe environment.
The Taiwan operational site obtained TOSHMS (CNS 15506) and OHSAS 18001 occupational safety and health management system certifications in 2009. In 2019, it transitioned to CNS 45001:2018 and ISO 45001:2018 certifications. In 2025, it successfully passed the ISO 45001:2018 recertification audit and received the BSI certification (Certificate No. OHS 548777, valid from June 16, 2024, to June 15, 2027), ensuring continuous system operation.
At the Taiwan site, weekly safety and health inspections are conducted, including notifications and follow-ups on fire hazards. Monthly initiatives include identifying near-miss incidents and performing

safety observations. Health management facilities, such as scales, blood pressure monitors, and body tape measures, are provided for employees to conveniently monitor their health. Lactation rooms are available to support nursing employees; the site won the 2016 Changhua County Friendly Lactation Room Award in the workplace category and has continuously maintained the certification (valid from 2023 to 2026). Automated external defibrillators (AEDs) are also installed to respond to unexpected emergencies.

Employees exposed to chemicals are provided with appropriate personal protective equipment and safety measures. Work areas involving dust, chromic acid, or nickel are equipped with local exhaust ventilation to safeguard employee health. Abnormal workloads are identified, and high-risk groups are assessed with medical consultation and follow-up.

(2) Regular Employee Safety and Health Education

All operational sites schedule safety and health courses annually for both new hires and existing employees to enhance basic knowledge of workplace safety. In addition to mandatory safety and health training, an emergency response drill plan was implemented in 2025, with regular exercises to ensure employees are prepared to handle incidents effectively.

The Taiwan operational site conducts multiple stress-relief courses and health seminars each year, covering topics such as hearing protection, physical and mental stress management, and prevention of unlawful harm. In 2016, a health information system was introduced using the intranet to ensure personal data protection and information security. The platform has since been continuously optimized to provide an interactive knowledge-based system that offers health information, self-management tools, medical examination queries, epidemic prevention updates, and health promotion communications, strengthening employee health awareness.

The Taiwan site also participates in the Quanshing Industrial Park Regional Joint Defense Organization and the Central Region Toxic Chemicals Joint Defense Organization, attending regular meetings and drills, and periodically updating company network information for these joint defense groups.

(3) Equipment Safety Management

The company implements a tiered equipment management system. All hazardous machinery and equipment are registered according to regulations and undergo both internal and external inspections to ensure safe operation.

(4) The Taiwan operational site actively participates in the Occupational Health and Safety Sustainability Development Program promoted by the Occupational Safety and Health Administration, Ministry of Labor. The site was awarded the “Emerging Model Enterprise Award for Sustainable Healthy Workforce” for 2024, as well as recognition as an outstanding enterprise in the “Proactive Assessment of Occupational Health and Safety Indicators Disclosure in Corporate Sustainability Reports.”

(5) Safety and Health Performance

In 2025, the company recorded one occupational injury (a traffic accident occurring within the plant premises during work-related movement; commuting accidents are excluded) and zero cases of occupational disease.

3. Employee training and career development

(1) Employee training

The Taiwan operational site conducts a competency gap analysis to develop employee career development and training plans, including annual programs for new hires, on-the-job training, work guidance, occupational safety and health, and managerial training. Employees enhance their individual capabilities through the company's diverse educational and training programs, which indirectly contribute to a positive organizational learning climate. Furthermore, accumulated organizational learning is converted into internal knowledge documentation. From 2021 to 2025, the company recorded 134, 136, 156, 130, and 126 knowledge documents, respectively. Each operational site also focuses on skill development and competency building. 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. Enhance employees' quality awareness and reduce process defect rates; improve service timeliness to customers and strengthen customer relationships; stabilize revenue and build the Company's long-term sustainable operating capability, thereby jointly achieving the Company's annual objectives.

The consolidated statistics of training programs for 2025 are summarized in the table below:

Course category	Course count	Training hours	Enrollments	
Administration	34	3,137.0	706	
Role-specific	Finance and Administration	77	787.0	273
	Marketing and Sales	22	235.0	173
	Procurement	19	165.0	45
	Production Management	23	378.0	243
	Research, development, and quality related	56	2,402.5	956
	Technical	166	2,852.0	1,577
	Auditing	25	264.0	127
Corporate Governance – Board of Directors and Supervisors	8	27.5	9	
Information Technology	24	1,211.0	555	
General	61	1,240.0	970	
Environmental safety	54	2,765.0	1,428	
Total	569	15,464.0	7,062	

(2) Employee career development

The company is committed to planning and implementing an education and training system for employees, aiming not only to strengthen the corporate foundation but also to enhance employees' career competitiveness, fostering a mutually beneficial relationship with staff. Each year, competency gap analyses are conducted for all job levels. Based on individual job requirements, performance evaluation results, and career development needs, the company provides diverse and comprehensive learning channels and development resources. These include on-the-job training, work guidance, occupational safety and health training, and managerial development programs. Annual training plans are developed and implemented accordingly.

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 2025, 81 employees have opted for voluntary contributions under the new pension system, accounting for 28.62% of all employees under the new scheme. For the year 2025, the recognized pension contribution amount under the new system was NT\$7,450 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 2025 and 2024 in accordance with the above rules are as follows:

Items	2024	2025
Defined contribution pension expense	NT\$10,564,000	NT\$11,468,000

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) Codes of Conduct and Policies

The Company has established a series of codes and policies, including the Code of Ethics for Directors and Managers, Work Regulations, Occupational Safety and Health Rules, Sexual Harassment Prevention Measures, Complaint and Disciplinary Procedures, and Measures for Preventing Illegal Acts in the Execution of Duties (such as workplace violence and sexual harassment). These policies are implemented to protect the fundamental rights of employees.

(2) Labor Unions and Collective Agreements

The Company's Taiwan operations do not have a labor union and have not signed any collective agreements. The operations in Mainland China have a corporate labor union; however, since the union has not requested a collective agreement, none has been signed. At the Vietnam operations, in order to maintain stable labor-management relations, both the company and the union have engaged in discussions regarding labor conditions, welfare measures, occupational safety, internal complaint systems, union operations, and the use of company facilities. A collective agreement was signed on December 19, 2025, effective from January 1, 2026, for a duration of three years. The agreement includes provisions more favorable than labor laws, such as assistance for employees with financially disadvantaged families, travel subsidies for employees returning to remote hometowns during holidays, fuel allowances, and seniority allowances.

(3) Labor-Management Meetings and Employee Welfare Committees

Our company regularly holds labor-management meetings in accordance with the Labor Standards Act, and convenes the Employee Welfare Committee at least once per quarter according to the Employee Welfare Management Measures. Representatives for both the labor-management meetings and the Employee Welfare Committee are nominated by each department. These representatives attend meetings on behalf of employees and communicate all welfare information. The rights of 100% of our employees are fully protected, and participation in company-organized activities is entirely voluntary. Examples include employee trips and health promotion activities. Employees can voice any opinions through their representatives in labor-management meetings or the Employee Welfare Committee. In the year 2025 (ROC 114), no incidents violating freedom of association or collective bargaining occurred.

(4) Human Rights Commitment

Our company upholds the core value of "Joyful Growth", supporting

the United Nations Universal Declaration of Human Rights (UDHR) and related international human rights principles. At the same time, we strictly comply with the local laws and regulations in all our global operating locations, treating and respecting all employees with dignity. We organize diverse human rights protection training programs, implement human rights protection practices on human rights concerns, and maintain communication channels with employees. Our company adheres to all labor laws and relevant regulations.

In 2025 the year our Taiwan operating locations launched various human rights protection training programs, including workplace safety and hygiene, emergency response handling, and first-aid personnel training. The total training hours amounted to 1,615.5 hours, with 910 employee training completions. There are five key human rights focus areas: providing a safe and healthy workplace free from harassment, promoting diverse employment and eliminating illegal discrimination, prohibiting forced labor and child labor, managing working hours, and assisting employees in maintaining physical and mental health as well as work-life balance.

- (5) The Taiwan operational sites implement occupational safety and health management programs, including self-protection systems, responsibility care systems, toxic chemical substance management, and transportation safety management.

Each operational site conducts regular environmental and workplace inspections, organizes emergency drills, and manages contractors. Through the systematic application of the PDCA (Plan-Do-Check-Act) cycle, continuous improvements are carried out not only to comply with legal requirements and customer expectations, but also to transform system operations into multiple environmental, safety, and health objectives, targets, and programs each year.

Various preventive measures for employee safety are implemented, with the ultimate goal of achieving zero occupational injuries.

- (6) Our Taiwan operating locations emphasize “Customer Privacy Protection” and comply with the Personal Data Protection Act (PDPA). In May 2014 (the 103rd year of the Republic of China calendar), we established a Personal Data Protection Team (PDPT), composed of employee representatives appointed from each department. This team is responsible for formulating personal data protection policies. Annual activities include personal data inventory, risk assessments, evaluations, and internal audits. The scope of application covers Taiwan operating locations, customers, and suppliers. Through a personal data protection management system operating under the PDCA cycle, there were no incidents of information leakage, theft, or loss of employee or customer data in 2025, and no complaints or grievances were reported by employees or customers.

As of 2025, the quantitative data related to personal data protection policy shows that cumulative employee participation in personal data protection training programs reached 440 completions, with a total training duration of 602 hours. Post-training test pass rates were 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 2025 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

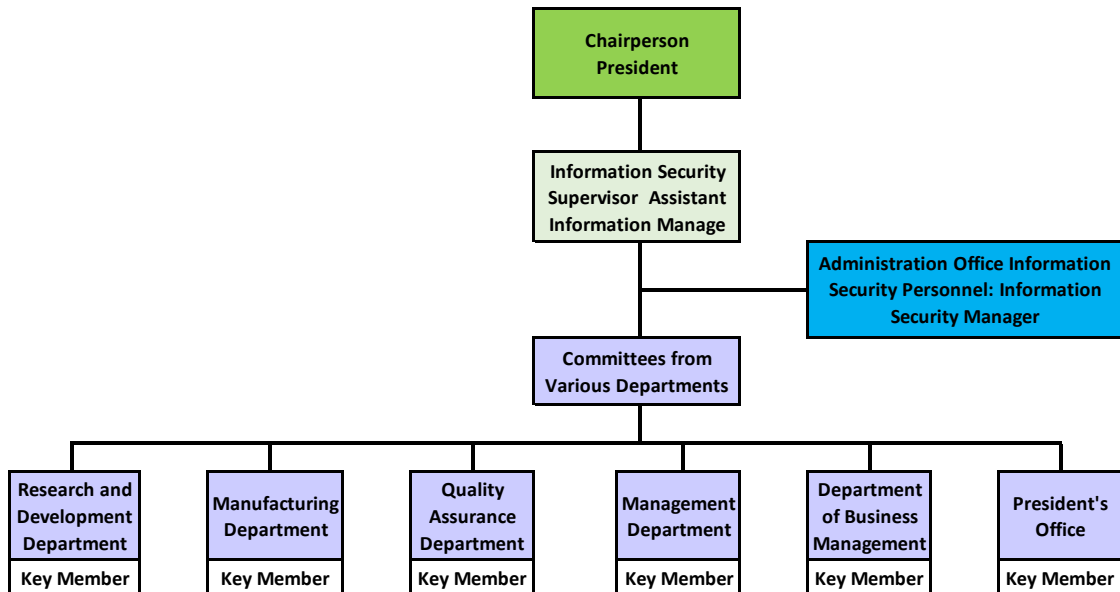
4.6.1 Explain the cybersecurity risk management framework, cybersecurity policy, management practices, and resources committed to cybersecurity.

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.

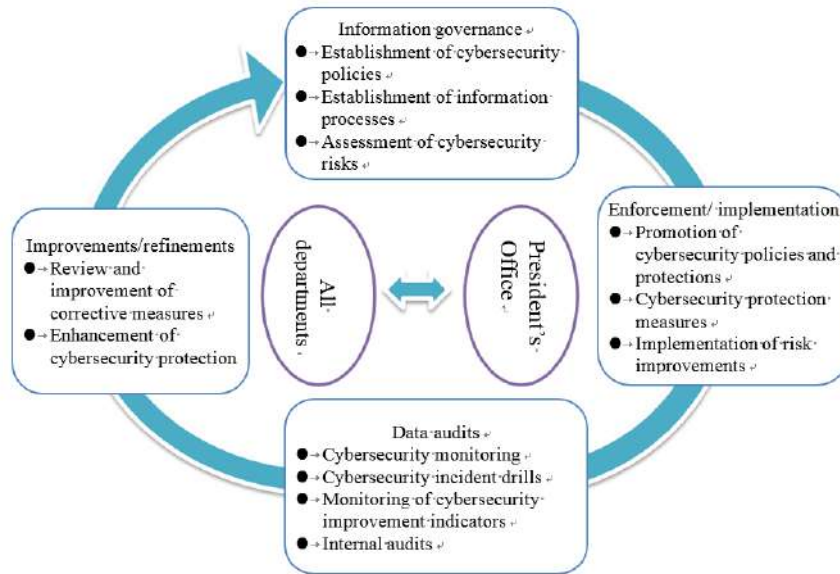
The Company has implemented standard procedures such as “Information Process Management,” “Portable Storage Media Management Policy,” “Email Procedures,” etc. to serve as guidance for application development, data access, backup practice, protection against viruses and intrusions, use of UPS in server 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, At the same time, the Company established a Cybersecurity Management Committee, with the President serving as the Chairperson. 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 2025
 <p>Internet security</p>	<ul style="list-style-type: none"> Enhancement of network firewalls and access control; prevention against spread of computer viruses across terminals and plant premises 	<ul style="list-style-type: none"> Firewalls have been created for real-time monitoring; all abnormal findings are reported and eliminated immediately
 <p>Device security</p>	<ul style="list-style-type: none"> Vulnerability detection and intrusion tests at least once every two years Antivirus measures are installed according to computer types to detect malware 	<ul style="list-style-type: none"> In July 2025, vulnerability detection and penetration testing were conducted. Weekly virus definition updates and scans.
 <p>Strengthening of information security</p>	<ul style="list-style-type: none"> Encryption and effective tracking of documents and data 	<ul style="list-style-type: none"> Access rights have been configured according to departments and duties Email access uses permission management Management of portable hardware and thumb drive use
 <p>Education Training and Advocacy</p>	<ul style="list-style-type: none"> At least one cybersecurity awareness promotion per department per year At least one cybersecurity emergency response drill a year 	<ul style="list-style-type: none"> In 2025, a total of 235 participants attended information security awareness sessions. Response drill for intrusion of information system was held in May 2025.

5. Commitment of cybersecurity management resources
 - (1) Human resources: The Company's cybersecurity team comprises a total of 22 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	2024	2025	Difference	
				Amount	%
Current Assets		2,231,220	2,191,779	(39,441)	-1.77%
Property, Plant and Equipment		1,002,721	912,302	(90,419)	-9.02%
Right-of-use assets		44,917	40,333	(4,584)	-10.21%
Intangible assets		21,100	19,259	(1,841)	-8.73%
Other Assets		60,035	47,118	(12,917)	-21.52%
Total Assets		3,359,993	3,210,791	(149,202)	-4.44%
Current Liabilities		436,808	358,881	(77,927)	-17.84%
Long-term Liabilities		32,052	31,990	(62)	-0.19%
Total Liabilities		468,860	390,871	(77,989)	-16.63%
Capital stock		756,617	756,617	0	0.00%
Capital surplus		150,801	150,801	0	0.00%
Retained Earnings		1,693,399	1,670,427	(22,972)	-1.36%
Exchange differences on translation of foreign financial statements		(59,634)	(101,535)	(41,901)	-70.26%
Non-controlling interests		349,950	343,610	(6,340)	-1.81%
Total equity		2,891,133	2,819,920	(71,213)	-2.46%

Analysis of Significant Changes:

1.Right-of-use assets :

The impact is due to the subsidiary (GSK VN) leasing assets, currency conversion of VND and USD depreciation, and the recognition of depreciation on various leased assets.

2.Decrease in Other Assets:

Deferred income tax assets, Deposits received, and other non-current assets - other decreased by NT\$2,046 thousand, NT\$3 thousand, and NT\$13,072 thousand, respectively, compared to the previous period. prepaid equipment expenses increased by NT\$2,204.

3.Decrease in Current Liabilities and Total Liabilities:

Accounts payable, other payables, current income tax liabilities, and current contract liabilities decreased by NT\$34,588 thousand, NT\$23,193 thousand, NT\$16,697 thousand, and NT\$3,596 thousand, respectively, compared with the previous period, while current lease liabilities increased by NT\$179 thousand.

4.Decrease in Foreign Exchange Differences in Financial Statements of Overseas Operating Entities: This decrease is primarily attributed to the depreciation of the US dollar throughout 2025, 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		Difference	
	2024	2025	Amount	%
Net Sales	2,909,509	2,518,722	(390,787)	-13.43%
Gross Profit	567,142	499,761	(67,381)	-11.88%
Operating Expenses	233,489	218,776	(14,713)	-6.30%
Operating Income	333,653	280,985	(52,668)	-15.79%
Non-operating income and expenses	63,598	9,544	(54,054)	-84.99%
Income Before Tax	397,251	290,529	(106,722)	-26.87%
Tax expense (income)	109,056	86,664	(22,392)	-20.53%
Net income	288,195	203,865	(84,330)	-29.26%
Other comprehensive income (income after tax)	27,059	(70,557)	(97,616)	360.75%
Total comprehensive income	315,254	133,308	(181,946)	-57.71%
Net income attributable to shareholders of the parent	185,076	98,084	(86,992)	-47.00%
Net income attributable to non-controlling interest	206,374	56,183	(150,191)	-72.78%

Explanation of Changes in Amounts and Ratios:

- Decrease in Operating Revenue:**
The decrease was primarily due to tariff impacts, which led to slower market demand and reduced sales volume, resulting in a decline in operating revenue of NT\$390,787 thousand compared with the previous period.
- Decrease in Gross Profit and Operating Profit:**
This was mainly due to the decrease in operating revenue. Although the Company continued to implement cost control measures, operating expenses decreased by NT\$14,713 thousand compared with the previous year; however, the reduction in expenses was insufficient to offset the decline in revenue, resulting in a decrease in gross profit and operating profit of NT\$67,381 thousand and NT\$52,668 thousand, respectively.
- Decrease in Non-Operating Income and Expenses:**
This was mainly due to a decrease in net foreign exchange gains/losses and impairment losses of NT\$54,704 thousand and NT\$3,765 thousand, partially offset by increases in net interest income (expense), rental income, and other income (expense) of NT\$2,859 thousand, NT\$143 thousand, and NT\$1,507 thousand, respectively.
- Decrease in Profit Before Tax and Net Profit for the Period:**
As a result of points 1–3 above, profit before tax decreased by NT\$106,722 thousand, and net profit for the period decreased by NT\$84,330 thousand.
- Decrease in Other Comprehensive Income for the Period (Net of Tax):**
This was mainly due to the depreciation of the US dollar in 2025, which affected the translation of the subsidiary's financial statements.
- Decrease in Total Comprehensive Income for the Period:**
As a result of points 4–5 above, net profit for the period decreased by NT\$84,330 thousand, and other comprehensive income for the period (net of tax) decreased by NT\$97,616 thousand.
- Decrease in Net Profit Attributable to Owners of the Parent for the Year:**
This was due to a decrease in the parent company's individual revenue of NT\$292,322 thousand, which led to reductions in individual gross profit and operating profit, along with a decrease of NT\$64,957 thousand in non-operating income and expenses, mainly from foreign exchange losses.
- Decrease in Comprehensive Income Attributable to Owners of the Parent for the Year:**
This was due to the decrease in net profit attributable to owners of the parent (point 7) by NT\$86,992 thousand and the impact of the US dollar depreciation in 2025 on the translation of the subsidiary's financial statements, resulting in a decrease of NT\$63,199 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 "2026 sales forecast and basis" on page 5.

5.2.3. Possible impacts on the Company's future financial operations and countermeasures: Revenue for 2025 decreased by 13.43% compared to 2024. As a result, gross profit decreased by NT\$67,381 thousand. Due to an decrease in operating expenses of NT\$14,713 thousand, operating profit decreased by NT\$52,668 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	2024	2025	Variance (%)
Cash Flow Ratio (%)	104.19%	116.15%	11.96%
Cash Flow Adequacy Ratio (%)	142.96%	140.07%	-2.89%
Cash Reinvestment Ratio (%)	4.78%	4.12%	-0.66%

Analysis of financial ratio change:

- Increase in cash flow ratio in the current period: This was due to a decrease in net cash inflow from operating activities of NT\$38,277 thousand, which was smaller than the decrease in current liabilities of NT\$77,927 thousand.
- Decrease in Current Cash Flow Adequacy Ratio: This is due to the NT\$50,688 thousand increase in net cash flow from operating activities over the past five years compared to the previous period, which is less than combined increase of NT\$66,520 thousand in capital expenditures, inventory growth, and cash dividends in the denominator.
- Decrease in Cash Reinvestment Ratio: The numerator (net cash flow from operating activities minus cash dividends) decreased by NT\$ 35,454 thousand in 2025 compared to 2024 (a decrease of 14.30%), while the total amount of items in the denominator increased by NT\$35,666 thousand compared to the previous period (an decrease of 0.69%), resulting in the decrease.

Unit: NT\$ thousands

2025 Cash 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
1,099,466	416,838	355,311	1,160,993	0	0

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

- Operating activities: In the year 2025, the consolidated operating performance generated a net cash inflow of NT\$416,838 thousand from operating activities.
- Investing activities: In 2025, the consolidated capital expenditures for equipment and the increase in financial assets measured at amortized cost- current, and advance payments for equipment resulted in a net cash outflow of NT\$101,114 thousand.
- Financing activities: Financing Activities: The main activity in fiscal 2025 was the distribution of cash dividends, resulting in an expenditure of NT\$234,735 thousand.
- Effect of exchange rate: The consolidated net amount for the year ended December 2024 was decreased by NT\$19,462 thousand.

2.Improvement plans for lack of liquidity :

In year 2025, the company's own funds amounted to NT\$1,160,993 thousand, which remained sufficient. Additionally, based on the financial analysis, the consolidated current liabilities ratio from 2021 to 2025 decreased from 15.71%, 15.38%, 14.21%, 13.00%, to 11.17%, 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

2026 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
1,160,993	356,297	24,387	1,492,903	0	0
<p>1. Analysis of cash flow variation for the next year:</p> <p>(1) Operating activities: The Company expects the operating performance in 2026 and the net cash inflow from operating activities will be NT\$356,297 thousand.</p> <p>(2) Investment Activities: Current financial assets measured at amortized cost are expected to decrease by NT\$144,305 thousand over the next year, The increase in acquisition of property, plant and equipment during the year resulted in a net cash inflow from investing activities of NT\$117,700 thousand.</p> <p>(3) Financing activities: The total net cash outflow from financing activities is expected to be NT\$142,278 thousand, mainly due to the payment of cash dividends and changes in non-controlling interests.</p> <p>(4) Foreign Exchange Impact: It is estimated that the net effect for year 2026 will be an increase of NT\$191 thousand.</p> <p>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 2021 to 2025, from 15.71%、15.38%、14.21%、13.00% and 11.17% showing a stable financial structure. The 2026 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 2026, the cash at the end of the term was NT\$1,160,993 thousand with cash adequacy of NT\$1,492,903. Therefore, there is no condition that requires remedial measures for insufficient cash and liquidity in the operating condition.</p>					

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	
				2024	2025
Procedure improvement; acquisition of machinery, equipment, and accessories	Proprietary capital	01/01/2025~31/12/2026	58,530	40,355	43,186

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. NTD239,145 thousands for 2025.	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\$8,697 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 2025 totaling NTD 12,864 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.

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	* Highest response and decision-making authority: Board of directors * Risk monitoring and tracking unit: Audit Office
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	2025 (NT\$ thousands)	As a percentage of revenue(%)	As a percentage of pre-tax profit(%)
Net interest income (expense)	34,160	1.36%	11.76%
Net gain (loss) on exchange	(29,145)	-1.16%	-10.03%

(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 2025 and 2024 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 2025 was 8.68%. It is estimated that the economic growth rate in 2026 will be approximately 7.71%, with the DGBAS estimating Taiwan's inflation rate for 2026 to be around 1.68%. 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 5.1% in 2025, with the Chinese Academy of Social Sciences estimating the economic growth rate for 2026 to be around 4.5%~5.0%. The Chinese Academy of Social Sciences estimates the average inflation rate for 2026 to be between 0.5%~0.8%. 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 8.02% in 2025. The Vietnamese government has set a target economic growth rate of 10% for 2026, with an annual inflation rate target of 3.8%. The global economy in 2026 is expected to continue the resilience observed in 2025, exhibiting moderate expansion under a “two-speed” pattern. The International Monetary Fund (IMF) projects a growth rate of 3.3%. 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 \$25,053 thousand in product R&D in 2026, or 0.94% 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, implement AI Agents to optimize operational workflows, 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 142~146, 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

In 2025, the Company and its operating sites had no expenditures on expanding production facilities. The Company's Vietnam subsidiary, in response to new automotive and motorcycle development orders, acquired additional equipment to 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. If there are capital expenditures for future expansion of production facilities and additional equipment acquisitions, the Company's own operating funds are sufficient to cover them, 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 2025, accounting for approximately 34.82%. Since the top three suppliers accounted for about 46.84% 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 41.13%, 11.69%, 10.33% of the sales in 2025, The top three customers account for approximately 63.15% 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:

As of the publication date of this annual report, neither the Company nor its directors, President, de facto responsible persons, shareholders holding more than 10% of the Company's shares, or subsidiaries had any material litigation, non-litigation, or administrative disputes that would materially affect shareholders' equity or the price of the Company's securities.

5.6.13 Other Significant Risks and Countermeasures :

1. In 2025, the newly inaugurated U.S. administration repeatedly introduced new tariff policies, triggering significant volatility in global trade, which in turn contributed to inflation and interest rate fluctuations. These factors suppressed investment and consumption, reducing market purchasing power and slowing economic activity. In the first quarter of 2026, heightened tensions in the Middle East—particularly conflicts involving Iran—had a notable negative impact on the global economy, primarily affecting inflation resurgence, slower economic growth, and uncertainties in energy supply.

In response to these external changes, the Company continues to expand its product markets by leveraging the Group's overall resources. Efforts include deepening engagement in the OEM markets for automotive, specialty vehicles, and bicycle components, as well as expanding into cross-industry stamping components. The Company will adopt a more proactive global market strategy,

using the Vietnam operation as a base to actively develop the Southeast Asian market, while the Taiwan operations focus on markets outside the United States, including Europe and North America, adjusting allocation according to customer demand to diversify risks. Internally, the Company is actively implementing energy improvement initiatives to enhance energy efficiency, promoting TPS activities to improve overall operational workflows, increase efficiency and yield, reduce error rates, and lower costs. These measures strengthen competitiveness, consolidate financial stability, enhance operational resilience, and mitigate the impact of external environmental changes.

2. In recent years, despite ongoing uncertainty in the overall economy, we are entering an AI-enabled world. Artificial intelligence is not only applied in data centers but also integrated into personal computers (PCs), smartphones, automobiles, and even Internet of Things (IoT) devices.

Enterprises are another driving force for AI demand. Many companies, including ours, are leveraging AI to improve productivity, efficiency, speed, and quality.

Since 2025, the Company has implemented systems such as MES and AI Agents to optimize operational workflows and create additional value.

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 Fiscal Year 2025

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)

6.2.2 Consolidated Financial Statements of Affiliated Enterprises:

(2025th 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)

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 2, 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.

2025 Annual Report

Chairman: Wu, Chung-Yi