TWSE stock code: 1538

Jenn Feng Industrial Tools Co., Ltd.

2025 Annual Report

Prepared by Jenn Feng Industrial Tools Co., Ltd.

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Annual report URL website:

Market Observation Post System: http://mops.twse.com.tw

The Company website: https://www.jennfeng.com

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Acting spokesperson:
Name: Yu-Chang Chen
Title: Vice President
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V. Name of overseas exchange where securities are listed, and method of inquiry: N/A

VI. Company website: http://www.jennfeng.com

Jenn Feng Industrial Tools Co., Ltd.

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One. Report to Shareholders

Jenn Feng Industrial Tools Co., Ltd.
Business Report

I. 2025 Business Results

(I) Outcome of business plan:

The Company's consolidated net operating revenue for Fiscal Year 2025 was NTD 114,826 thousand, an increase of NTD 2,142 thousand from the consolidated net operating revenue of NTD 112,684 thousand in 2024, representing an increase of 1.90%. In terms of profitability, the Fiscal Year 2025 consolidated net loss after tax was NTD 51,394 thousand, a decrease of NTD 3,474 thousand compared to the loss of NTD 54,868 thousand in 2024. The loss per share was NTD 1.59.

(II) Attainment of budgeted targets: Not applicable (the Company did not make any financial forecast for Fiscal Year 2025).

(III) Financial revenues and expenses:

As at December 31, 2025, the Company reported consolidated total assets of NTD 256,683 thousand, consolidated total liabilities of NTD 117,749 thousand, a debt-to-asset ratio of 45.87%, and a current ratio of 123.92%.

(IV) Profitability analysis:

Item	2025	2024
Return on assets (%)	(19.45)	(18.22)
Return on equity (%)	(31.47)	(27.03)
Net profit margin (%)	(44.76)	(48.69)
Earnings per share (NTD)	(1.59)	(1.70)

(V) Research and development:

1. Integrate brushless motor, controller, and firmware/hardware design to establish mechatronic core technology, enhancing product reliability and lifespan.
2. Continue to optimize the modular design of power tools and power equipment to enhance interchangeability and shorten product development and mass production timelines.
3. Explore applications of brushless motor and expand the range of products and applications sold.
4. Develop new energy-related application products, including Power Conversion Systems (PCS), Battery Energy Storage Systems (BESS), and Energy Management Systems (EMS), to provide integrated solutions for customers.
5. Engage in technical collaboration and joint development with international clients and strategic partners to expand product application fields and markets.
6. Enhance key component and supply chain technology management to improve quality stability and delivery reliability.
7. Obtain patent certificates and product certifications for new designs and products to

protect the Company’s interests.

8. Provide technical support and services for highly integrated and high-reliability products oriented toward customized needs.

The Company will continue to deepen R&D in core technologies such as motors and controllers, and broaden the scope of applications with customer satisfaction as a priority. We will jointly develop reliable, durable, and derivative products, and rapidly introduce them to production. Meanwhile, we will enhance mechatronics integration and new energy technology capabilities, advancing toward a one-stop integrated service development for new energy equipment, to boost the Company’s long-term competitiveness and operational growth momentum.

II. Summary of business plan

(I) Operational guidelines:

Looking ahead to 2026, in response to changes in the global economic environment and intensified industry competition, The Company will continue to strengthen its operational structure and technological capabilities. With a focus on quality and service, along with cost efficiency and industry transformation, we will steadily promote operational development. The specific key points of implementation are as follows:

1. Lean Manufacturing and Cost Optimization:
   Promote standardization and universalization of components to improve inventory turnover efficiency; reduce manufacturing costs and enhance production efficiency through the allocation of production sites and process optimization.
2. Integration of core technologies and market expansion
   Leverage Jenn Feng’s advantages in production and technology to expand the scope of product applications, enhance product differentiation, and strengthen collaborative relationships with both new and existing clients.
3. Inventory and Procurement Management Optimization:
   Adjust the procurement and material preparation strategy, break the MOQ (minimum order quantity) myth to avoid over-purchasing, reduce inventory levels, and enhance capital utilization efficiency.
4. Strategic investment and business layout:
   Carefully evaluate investment opportunities with development potential, expand the scope of operations, and enhance capital utilization efficiency.

(II) Key production/sales policies

1. Production policy:
   (1) Continue to enhance the performance and quality of power hand tools and power equipment to solidify the existing market foundation.
   (2) Enhance the integration technology of brushless motors, controllers, and firmware/hardware to establish comprehensive integration capability, thereby boosting product competitive advantage.
   (3) Promote process improvement and modular design to reduce development costs and enhance production efficiency.
   (4) Establish a cooperative Supplier management mechanism and Group procurement system to enhance quality stability and shorten delivery times.

(5) Optimize the allocation of production resources and capacity to enhance overall operational efficiency and cost competitiveness.

2. Sales:

(1) Deepen the understanding of customer needs and provide comprehensive solutions to enhance customer cooperation and engagement.

(2) Plan Production and sales strategies according to market demand to enhance product value and gross margin.

III. Future development strategies of the Company

Looking ahead to Fiscal Year 2026, the external environment remains full of changes and challenges. The Company will continue to strengthen its operational structure and enhance overall competitiveness with a steady and pragmatic approach. In the future, in addition to continually cultivating existing product markets, the Company will also base its efforts on mechatronics integration technology to deepen the development and application of brushless motors and controllers. We will gradually expand into new energy-related products and integrated services, accumulating long-term growth momentum to create more stable value and returns for shareholders.

Thanks to all of you for taking the time to attend the shareholders' meeting of the Company today. All employees of the Company will continue to create a better future for Jenn Feng with the business philosophy of pragmatism, trust, innovation and sustainable development!
Ladies and gentlemen, I wish you good health and all the best!

Chairman: Yung-Lun Chen　　President: Yung-Lun Chen　　Head of Accounting: Tsan-Tseng Yeh

Two. Corporate Governance Report

I. Background information of directors, supervisors, the President, vice presidents, assistant vice presidents, and heads of various departments and branches

(I) Information on directors:

1. Information on directors:

April 29, 2026

Position	Nationality or place of registration	Name	Gender Age	Date elected/ onboard	Term of service	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director, or supervisor			Remarks
							Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Position	Name	Relationship	
Chairman	The Republic of China	Enriched Partner Co., Ltd.	-	2024.06.28	3 years	2024.06.28	29,461,339	54.72%	17,674,944	54.72%	0	0	0	0	Not applicable	Not applicable	None	None	None	
		Corporate Representative: Yung-Lun Chen	Male 60-65	-	-	-	0	0	0	0	0	0	0	0	Master of Business Administration (MBA) in Business Management. Anglia Ruskin University, Cambridge, United Kingdom Director, Ark Solar Energy Co., Ltd.	President, Jenn Feng Industrial Tools Co., Ltd. Chairman, Taicheng Energy Technology Co., Ltd. Chairman, Enriched Partner Co., Ltd. Chengfeng Energy Industrial Co., Ltd. /Chairman	None	None	None	Note 1
Director	The Republic of China	Enriched Partner Co., Ltd.	--	2024.06.28	3 years	2024.06.28	29,461,339	54.72%	17,674,944	54.72%	0	0	0	0	Not applicable	Not applicable	None	None	None	
		Corporate Representative: Shao-Kang Leng	Male 60-65	--	--	--	0	0	0	0	0	0	0	0	Bachelor's Degree in Transportation Engineering and Management Science, Feng Chia University Vice President, Dechou Electronics (Ningbo) Co., Ltd. Special Assistant to the Chairman, Flexium Interconnect (Kunshan),Inc. Assistant Manager, EverTrust Bank	Vice President of International Department, Ark International Co., Ltd.	None	None	None	
Director	The Republic of China	Enriched Partner Co., Ltd.	--	2024.06.28	3 years	2023.01.04	29,461,339	54.72%	17,674,944	54.72%	0	0	0	0	Not applicable	Not applicable	None	None	None	
		Ming Yeh	Male 55-60	--	--	--	0	0	0	0	0	0	0	0	Department of Tourism Management, Chinese Culture University Director, Everterminal Co., Ltd. Director, Jiangsu Yuansheng Optoelectronics Co., Ltd. Supervisor, Zhancheng Electric (Dongguan) Co., Ltd. Supervisor, Yuanju Energy Co., Ltd.	Independent Director, Jinli Group Holdings Limited Consultant, Dali Development Co., Ltd.	None	None	None	

Position	Nationality or place of registration	Name	Gender Age	Date elected/ onboard	Term of service	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director, or supervisor			Remarks
							Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Position	Name	Relationship	
															Director, Unitel High Technology Corporation Vice President, Ejectt Inc. President, Unitel High Technology Corporation					
Director	The Republic of China	Enriched Partner Co., Ltd.	--	2024.06.28	3 years	2017.06.30	29,461,339	54.72%	17,674,944	54.72%	0	0	0	0	Not applicable	Not applicable				
		Hsiang-Jen Cheng	Male 55-60	--	--	--	0	0	0	0	0	0	0	0	Bachelor’s Degree in Finance, National Taipei University of Business Independent Director, AverLogic Technologies Corp. Independent Director, Yuan Jiu Inc.	President, Astral Epoch International Corporation President, Astral Epoch International Corporation	None	None	None	
Independent Director	The Republic of China	Chi-Chun Lin	Female 45-50	2024.06.28	3 years	2024.06.28	0	0	0	0	0	0	0	0	Bachelor’s Degree in Finance, Chaoyang University of Technology CFO, AboCom Systems,Inc. Finance Manager, G.T. Internet Information Co., Ltd.	CPA, Kai Xing CPAs	None	None	None	
Independent Director	The Republic of China	Chao-Hsien Li	Male 50-55	2024.06.28	3 years	2021.08.24	0	0	0	0	0	0	0	0	Master’s Degree in Business Administration, Providence University Partner, NEXIA Sun Rise Accounting Corporation Deloitte Taiwan	Managing Director, Hongxin CPAs Legal Representative, Szu Hsien Investment Consulting Co., Ltd.	None	None	None	
Independent Director	The Republic of China	Cheng-Hsiung Wangtsao	Male 45-50	2024.06.28	3 years	2024.06.28	0	0	0	0	0	0	0	0	Master’s Degree in Law, National Taipei University Chief Legal Officer, Madenform	Integration Law Group Lead Attorney Independent Director, iCatch Inc.	None	None	None	
Independent Director	The Republic of China	Fu-Chuan Chien	Male 65-70	2024.06.28	3 years	2024.06.28	0	0	0	0	0	0	0	0	Department of Electronic Computing, Taipei College of Business Tensall Bio-Tech Co., Ltd. CFO of the company Big Sunshine Co., Ltd. Senior Manager Deputy General Manager of Finance, Chilisin Electronics Corp.	Project Consultant, FairTech Corporation	None	None	None	

Note 1: Where the company's president and the vice president, or person of an equivalent post (the highest level officer) of a company are the same person, spouses, or first-degree relatives, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto:
The Company's chairman and president are the same person, which is intended to increase the efficiency of decision-making, management efficiency, and business performance. The Company plans to increase the number of independent directors to enhance the functions of the Board and strengthen supervision functions.

2. Table 1: Major shareholders of corporate shareholders:

Name of corporate shareholder	Major shareholders of corporate shareholders
Enriched Partner Co., Ltd.	An Cheng International Investment Co., Ltd.

3. Table 2: For corporate shareholders in Table 1, their primary shareholders

Name of corporate shareholder	Major shareholders of corporate shareholders
An Cheng International Investment Co., Ltd.	Pan Sumin, Chuang Chia-yu

4. Information disclosure of professional qualification of directors as well as the independence of independent directors

Criteria / Name	Professional qualification and experience	Compliance of independence	Number of concurrent positions as independent director in other public companies
Corporate Representative of Enriched Partner Co., Ltd.: Yung-Lun Chen	● Master of Business Administration (MBA) in Business Management. Anglia Ruskin University, Cambridge, United Kingdom ● Formerly served as Director of Ark Solar Energy Co., Ltd.. ● Currently serves as Chairman of Taicheng Energy Technology Co., Ltd., Enriched Partner Co., Ltd., and Chengfeng Energy Industrial Co., Ltd. ● With at least 5 years of commercial, financial and corporate work experience. ● Does not meet any of the conditions stated in Article 30 of the Company Act.	● Not an individual, spouse, underage children, or under the title of a third party who holds more than 1% of the outstanding shares issued by the Company or among the top 10 natural person shareholders. ● Not a person who has a spouse or relatives of the second degree of kinship in other directors.	None
Corporate Representative of Enriched Partner Co., Ltd.: Shao-Kang Leng	● Bachelor’s Degree in Transportation Engineering and Management Science, Feng Chia University. ● Formerly served as Vice President of Dechou Electronics (Ningbo) Co., Ltd.; Special Assistant to the Chairman of Flexium Interconnect (Kunshan),Inc.; and Assistant Manager of EverTrust Bank. ● Currently serves as Vice President of Jenn Feng Industrial Tools Co., Ltd.. ● With at least 5 years of commercial and corporate work experience. ● Does not meet any of the conditions stated in Article 30 of the Company Act.	● Not an individual, spouse, underage children, or under the title of a third party who holds more than 1% of the outstanding shares issued by the Company or among the top 10 natural person shareholders. ● Not a person who has a spouse or relatives of the second degree of kinship in other directors.	None
Corporate Representative of Enriched Partner Co., Ltd.: Ming Yeh	● Department of Tourism Management, Chinese Culture University. ● Formerly served as Director of Everterminal Co., Ltd., Jiangsu Yuansheng Optoelectronics Co., Ltd., and Unitel High	● Not an individual, spouse, underage children, or under the title of a third party who holds more than 1% of the outstanding shares issued by the	None

Criteria / Name	Professional qualification and experience	Compliance of independence	Number of concurrent positions as independent director in other public companies
	Technology Corporation; Supervisor of Zhancheng Electric (Dongguan) Co., Ltd. and Yuanju Energy Co., Ltd.; President of Unitel High Technology Corporation; and Vice President of Ejectt Inc.. ● With at least 5 years of commercial, financial and corporate work experience. ● Does not meet any of the conditions stated in Article 30 of the Company Act.	Company or among the top 10 natural person shareholders. ● Not a person who has a spouse or relatives of the second degree of kinship in other directors. ● None of the individual, spouse, and second-degree relatives or closer serve as director, supervisor, or employee in the Company or any of its related enterprises. ● No compensation or amount is received for providing the Company or affiliates with commercial, legal, financial, accounting or related services in the most recent two years.	
Corporate Representative of Enriched Partner Co., Ltd.: Hsiang-Jen Cheng	● Bachelor's Degree in Finance, National Taipei University of Business ● Formerly served as Independent Director of AverLogic Technologies Corp. and Yuan Jiu Inc. ● Independent Director ● Currently serves as President of Astral Epoch International Corporation and Chairman of Lead Data Inc. ● With at least 5 years of commercial, financial and corporate work experience. ● Does not meet any of the conditions stated in Article 30 of the Company Act.	● Not an individual, spouse, underage children, or under the title of a third party who holds more than 1% of the outstanding shares issued by the Company or among the top 10 natural person shareholders. ● None of the individual, spouse, and second-degree relatives or closer serve as director, supervisor, or employee in the Company or any of its related enterprises. ● No compensation or amount is	None

Criteria / Name	Professional qualification and experience	Compliance of independence	Number of concurrent positions as independent director in other public companies
		received for providing the Company or affiliates with commercial, legal, financial, accounting or related services in the most recent two years.	
Independent Director Chi-Chun Lin	● Bachelor’s Degree in Finance, Chaoyang University of Technology. ● Formerly served as CFO of AboCom Systems,Inc., and Finance Manager of Yongda Information Network Co., Ltd. ● Currently serves as CPA of Kai Xing CPAs ● With at least 5 years of commercial and corporate work experience. ● Does not meet any of the conditions stated in Article 30 of the Company Act.	● None of the individual, spouse, and second-degree relatives or closer serve as director, supervisor, or employee in the Company or any of its related enterprises. ● The number and percentage of the shares not held by the individual, spouse, and second-degree relatives or closer (or not held in the names of others). ● Not served as a director, supervisor, or employee of any companies in a special relationship with the Company (in reference to Subparagraphs 5 - 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). ● No compensation or amount is received for providing the Company or affiliates with commercial, legal,	None

Criteria / Name	Professional qualification and experience	Compliance of independence	Number of concurrent positions as independent director in other public companies
		financial, accounting or related services in the most recent two years.	
Independent Director Chao-Hsien Li	● Master’s Degree in Business Administration, Providence University. ● Formerly served as Partner of NEXIA Sun Rise Accounting Corporation and Deloitte Taiwan. ● Currently serves as Managing Director of Hongxin CPAs, and Representative of Szu Hsien Investment Consulting Co., Ltd. ● With at least 5 years of commercial, financial and corporate work experience. ● Does not meet any of the conditions stated in Article 30 of the Company Act.	● None of the individual, spouse, and second-degree relatives or closer serve as director, supervisor, or employee in the Company or any of its related enterprises. ● The number and percentage of the shares not held by the individual, spouse, and second-degree relatives or closer (or not held in the names of others). ● Not served as a director, supervisor, or employee of any companies in a special relationship with the Company (in reference to Subparagraphs 5 - 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). ● No compensation or amount is received for providing the Company or affiliates with commercial, legal, financial, accounting or related services in the most recent two	2

Criteria / Name	Professional qualification and experience	Compliance of independence	Number of concurrent positions as independent director in other public companies
		years.	
Independent Director Cheng-Hsiung Wangtsao	● Master's Degree in Law, National Taipei University, ● Formerly served as Chief Legal Officer of Madenform. ● Currently serves as Lead Attorney of Integration Law Group, and Independent Director of iCatch Inc.. ● With at least 5 years of legal, commercial and corporate work experience. ● Does not meet any of the conditions stated in Article 30 of the Company Act.	● None of the individual, spouse, and second-degree relatives or closer serve as director, supervisor, or employee in the Company or any of its related enterprises. ● The number and percentage of the shares not held by the individual, spouse, and second-degree relatives or closer (or not held in the names of others). ● Not served as a director, supervisor, or employee of any companies in a special relationship with the Company (in reference to Subparagraphs 5 - 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). ● No compensation or amount is received for providing the Company or affiliates with commercial, legal, financial, accounting or related services in the most recent two years.	1

Criteria / Name	Professional qualification and experience	Compliance of independence	Number of concurrent positions as independent director in other public companies
Independent Director Fu-Chuan Chien	● Department of Electronic Computing, Taipei College of Business. ● Formerly served as CFO of Tensall Bio-Tech Co., Ltd.; Senior Finance Manager of Big Sunshine Co., Ltd.; and Deputy General Manager of Finance at Chilisin Electronics Corp. ● Currently serves as Project Consultant of FairTech Corporation. ● With at least 5 years of commercial, financial and corporate work experience. ● Does not meet any of the conditions stated in Article 30 of the Company Act.	● None of the individual, spouse, and second-degree relatives or closer serve as director, supervisor, or employee in the Company or any of its related enterprises. ● The number and percentage of the shares not held by the individual, spouse, and second-degree relatives or closer (or not held in the names of others). ● Not served as a director, supervisor, or employee of any companies in a special relationship with the Company (in reference to Subparagraphs 5 - 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). ● No compensation or amount is received for providing the Company or affiliates with commercial, legal, financial, accounting or related services in the most recent two years.	None

5. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

A. Diversification policy:

According to the Corporate Governance Best-Practice Principles, the composition of the Board of Directors shall be determined by taking diversity into consideration. The number of directors concurrently serving as the manager of the Company shall not be more than one-third of the directors. An appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs shall be formulated. It is advisable that the policy include, without being limited to, the following two general standards:

(A) Basic requirements and values: Gender, age, nationality, and culture.The number of female directors shall be one-third of the directors.

(B) Professional knowledge and skill: Professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skill, and industrial experience.

Members of the Board of Directors shall generally possess the necessary knowledge, skills, and literacy to perform their duties. To achieve the goal of ideal corporate governance, the Board of Directors shall, on the whole, possess the following abilities:

(A) Ability to make operational judgments.

(B) Ability to perform accounting and financial analysis.

(C) Ability to conduct business management.

(D) Ability to manage crises.

(E) Knowledge of the industry.

(F) Understanding of international markets.

(G) Ability to lead.

(H) Ability to make decisions.

B. Implementation of diversity policy:

(A) Professional capabilities of directors:

Name of director	Gender	Professional capabilities				
		Accounting and finance	Operational management	Leadership & decision-making	Industry knowledge	International markets
Yung-Lun Chen	Male	✓	✓	✓	✓	✓
Shao-Kang Leng	Male	✓	✓	✓	✓	✓
Ming Yeh	Male	✓	✓	✓	✓	✓
Hsiang-Jen Cheng	Male	✓	✓	✓	✓	✓
Chi-Chun Lin (Independent Director)	Female	✓	✓	✓	✓	✓
Chao-Hsien Li (Independent Director)	Male	✓	✓	✓	✓	✓
Cheng-Hsiung Wangtsao (Independent Director)	Male		✓	✓	✓	✓
Fu-Chuan Chien (Independent Director)	Male	✓		✓	✓	✓

(B) Among the Company's board of directors, 50% are independent directors, 25% of which are directors who are also employees, and 12.5% are female directors; the term of office of all four independent directors is less than 3 years. No more than one-third of the directors are managers of the Company. The Company's future goal is to increase the number of female directors to one-third of the board.

(2) Board independence: The Company currently has eight directors on the Board, including four independent directors (representing 50%). The directors comply with the requirements of Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act, and is not spouse or relative within the second degree of kinship.

(II) Background information of the President, vice presidents, assistant vice presidents, and heads of various departments and branches:

April 29, 2025

Position Name	Gender	Nationality	Date onboard	Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in other companies	Spouse or relatives of second degree or closer serving as managers			Remarks
				Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Position	Name	Relationship	
President Yung-Lun Chen	Male	The Republic of China	2024.7.22	0	0	0	0	0	0	Master of Business Administration (MBA) in Business Management. Anglia Ruskin University, Cambridge, United Kingdom Director, Ark Solar Energy Co., Ltd.	Chairman, Jenn Feng Industrial Tools Co., Ltd. Chairman, Taicheng Energy Technology Co., Ltd. Chairman, Enriched Partner Co., Ltd. Chengfeng Energy Industrial Co., Ltd./Chairman	None	None	None	Note 1
Vice President Shao-Kang Leng	Male	The Republic of China	2024.7.22	0	0	0	0	0	0	Bachelor's Degree in Transportation Engineering and Management Science, Feng Chia University Vice President, Dechou Electronics (Ningbo) Co., Ltd. Special Assistant to the Chairman, Flexium Interconnect (Kunshan),Inc. Assistant Manager, EverTrust Bank	Director, Jenn Feng Industrial Tools Co., Ltd.	None	None	None	
Vice President/Acting spokesperson Yu-Chang Chen	Male	The Republic of China	2024.7.22	0	0	0	0	0	0	Department of Business Administration, National Sun Yat-sen University Assistant Vice President of International Department, Ark International Co., Ltd.	None	None	None	None	
CFO/Spokesperson Tsan-Tseng Yeh	Male	The Republic of China	2024.7.22	0	0	0	0	0	0	Master's Degree in Accounting, National Yunlin University of Science and Technology Partner CPA, Hongchi CPAs.	None	None	None	None	
Assistant Vice President Yung-Chun Tang	Male	The Republic of China	2017.5.1	388	0	0	0	0	0	Master of Mechanical Engineering, National Chung Cheng University	None	None	None	None	
Assistant Vice President Teng-Ping Yo	Male	The Republic of China	2020.1.3	0	0	0	0	0	0	United College of Technology	None	None	None	None	

Position Name	Gender	Nationality	Date onboard	Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent duties in other companies	Spouse or relatives of second degree or closer serving as managers			Remarks
				Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Position	Name	Relationship	
Assistant Vice President I-Hsin Pao	Female	The Republic of China	2025.3.12	0	0	0	0	0	0	Executive MBA, College of Communication, National Chengchi University Public Relations Manager, Office of the Chairman, Ark International Co., Ltd. Special Assistant to the General Manager, United Digital Intelligence Co., Ltd.	None	None	None	None	

Note 1: Where the company's president and the vice president, or person of an equivalent post (the highest level officer) of a company are the same person, spouses, or first-degree relatives, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto:

The Company's chairman and president are the same person, which is intended to increase the efficiency of decision-making, management efficiency, and business performance. The Company plans to increase the number of independent directors to enhance the functions of the Board and strengthen supervision functions.

II. Remuneration paid to directors, president, and vice presidents in the most recent year:

(I) Remuneration to directors and independent directors

2025; Unit: NTD thousands

Position	Name	Directors' compensation								Sum of A, B, C and D as a percentage of net income (%) (Note 2)		Compensation received as employee								Sum of A, B, C, D, E, F, and G as a percentage of net income (Note 2)		Remuneration from parent company or business investments other than subsidiaries
		Benefits (A)		Severance pay and pension (B)		Director remuneration (C)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc. (E)		Severance pay and pension (F)		Employee remuneration (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman	Corporate Representative, Enriched Partner Co., Ltd.: Yung-Lun Chen	220	220	0	0	0	0	16	16	236 (0.46)	236 (0.46)	1,980	1,980	0	0	0	0	0	0	2,216 (4.31)	2,216 (4.31)	None
Director	Corporate Representative, Enriched Partner Co. Ltd.: Shao-Kang Leng	240	240	0	0	0	0	0	0	240 (0.05)	240 (0.05)	1,249	1,249	0	0	0	0	0	0	1,489 (2.90)	1,489 (2.90)	None
Director	Corporate Representative of Enriched Partner Co. Ltd.: Ming Yeh	240	240	0	0	0	0	16	16	256 (0.50)	256 (0.50)	0	0	0	0	0	0	0	0	256 (0.50)	256 (0.50)	None
Director	Corporate Representative of Enriched Partner Co., Ltd.: Hsiang-Jen Cheng	240	240	0	0	0	0	14	14	254 (0.49)	254 (0.49)	0	0	0	0	0	0	0	0	254 (0.49)	254 (0.49)	None
Independent Director	Chi-Chun Lin	600	600	0	0	0	0	16	16	616 (1.20)	616 (1.20)	0	0	0	0	0	0	0	0	616 (1.20)	616 (1.20)	None
Independent Director	Chao-Hsien Li	600	600	0	0	0	0	16	16	616 (1.20)	616 (1.20)	0	0	0	0	0	0	0	0	616 (1.20)	616 (1.20)	None
Independent Director	Cheng-Hsiung Wangtsao	600	600	0	0	0	0	16	16	616 (1.20)	616 (1.20)	0	0	0	0	0	0	0	0	616 (1.20)	616 (1.20)	None
Independent Director	Fu-Chuan Chien	600	600	0	0	0	0	16	16	616 (1.20)	616 (1.20)	0	0	0	0	0	0	0	0	616 (1.20)	616 (1.20)	None

1. Please explain the policy, system, standards and structure by which independent director remuneration is paid, and association between the amount paid and independent directors' responsibilities, risks, and time committed:
   (1) Independent directors receive a fixed monthly payment and do not participate in the remuneration distribution for directors. Their travel allowance is paid based on the number of meetings they actually attend.
   (2) The above-mentioned fixed remuneration is paid according to the participation and contribution of each independent director to the Company's operations, as well as with reference to the Company's operating performance and industry peers.
   (3) For serving as a member of the functional committees of the Company, the director may be paid a fixed remuneration to the functional committee members on a monthly basis, but does not receive the travel allowance for the functional committee meetings.
2. Remuneration received by director for providing service (e.g. consultancy service without the title of an employee to the parent company/any company included in the financial statements/any business investment) in the last year, except those disclosed in the above table: None.

Note 1: Names of directors shall be separately presented (for corporate shareholders, the name of the corporate shareholder and its representative are presented separately) with the identity of directors and independent directors specified, and each amount paid shall be disclosed individually.

Note 2: Net income refers to the net income in the Fiscal Year 2025 parent company only financial statements.

(II) Remuneration to supervisors: Not applicable.

(III) Remuneration to president and vice president

1. Remuneration to president and vice president

2025; Unit: NTD thousands

<table>
<tr><th rowspan="3">Position</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Severance pay and pension (B)</th><th colspan="2">Bonus and special allowance (C)</th><th colspan="4">Employee remuneration (D)</th><th colspan="2">Sum of A, B, C, and D and as a percentage of net income (%)</th><th rowspan="3">Remuneration from parent company or business investments other than subsidiaries</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th><th colspan="2">The Company</th><th colspan="2">All companies included in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All companies included in the financial statements</th></tr>
<tr><th>Cash Amount</th><th>Stock Amount</th><th>Cash Amount</th><th>Stock Amount</th></tr>
<tr><td>President</td><td>Yung-Lun Chen</td><td rowspan="3">4,661</td><td rowspan="3">4,661</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">4,661
(9.07)</td><td rowspan="3">4,661
(9.07)</td><td rowspan="3">None</td></tr>
<tr><td>Vice President</td><td>Shao-Kang Leng</td></tr>
<tr><td>Vice President</td><td>Yu-Chang Chen</td></tr>
</table>

2. Remuneration brackets for the president and vice president

Range of remuneration to president and vice president of the Company	Name of President and vice president	
	The Company	All companies included in the financial statements
Below NT$1,000,000		
NT$1,000,000 (inclusive) - NT$2,000,000 (non-inclusive)	Yung-Lun Chen, Shao-Kang Leng, Yu-Chang Chen	Yung-Lun Chen, Shao-Kang Leng, Yu-Chang Chen
NT$2,000,000 (inclusive) - NT$3,500,000 (non-inclusive)		
NT$3,500,000 (inclusive) - NT$5,000,000 (non-inclusive)		
NT$5,000,000 (inclusive) - NT$10,000,000 (non-inclusive)		
NT$10,000,000 (inclusive) - NT$15,000,000 (non-inclusive)		
NT$15,000,000 (inclusive) - NT$30,000,000 (non-inclusive)		
NT$30,000,000 (inclusive) - NT$50,000,000 (non-inclusive)		
NT$50,000,000 (inclusive) - NT$100,000,000 (non-inclusive)		
NT$100,000,000 and above		
Total	3 in total	3 in total

(IV) Compensation to the five highest paid managers

2025; Unit: NTD thousands

Position	Name	Salary (A)		Severance pay and pension (B)		Bonus and special allowance (C)		Employee remuneration (D)				Sum of A, B, C, and D and as a percentage of net income (%)		Remuneration from parent company or business investments other than subsidiaries
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CFO/Spokesperson	Tsan-Tseng Yeh	1,586	1,586	0	0	0	0	0	0	0	0	1,586 (3.09)	1,586 (3.09)	None
Vice President	Yu-Chang Chen	1,432	1,432	0	0	0	0	0	0	0	0	1,432 (2.79)	1,432 (2.79)	None
Vice President	Shao-Kang Leng	1,249	1,249	0	0	0	0	0	0	0	0	1,249 (2.43)	1,249 (2.43)	None
Assistant Vice President	I-Hsin Pao	1,185	1,185	0	0	0	0	0	0	0	0	1,185 (2.31)	1,185 (2.31)	
Assistant Vice President	Teng-Ping Yo	1,071	1,071	0	0	0	0	0	0	0	0	1,071 (2.09)	1,071 (2.09)	
Assistant Vice President	Yung-Chun Tang	1,068	1,068	0	0	0	0	0	0	0	0	1,068 (2.08)	1,068 (2.08)	

(V) Managers distributing employee remuneration and details of remuneration distribution: None.

(VI) Analysis of the total remuneration paid to the directors, supervisors, president and vice president of the company for the two most recent fiscal years by the company and all companies in the consolidated financial statements as a proportion to net income of parent company only financial reports; and explain the payment of remuneration policies, standards and combinations, procedures for determining remuneration, and their correlation with business performance and future risks:

1. Analysis of the total remuneration paid to the directors, supervisors, president and vice presidents of the Company in the most recent two years as a percentage of net income after tax of the parent company only financial statements:

Unit: NTD thousands

Position	2025				2024			
	Total compensation		Total remuneration as a percentage of standalone net income		Total compensation		Total remuneration as a percentage of standalone net income	
	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements
Director	3,450	3,450	(6.71)	(6.71)	3,166	3,166	(5.77)	(5.77)
President and vice presidents	4,661	4,661	(9.07)	(9.07)	3,281	3,281	(5.98)	(5.98)

2. Remuneration policies, standards, packages, and procedures for directors, supervisors, the President and vice presidents, and association with future risks and business performance

(1) Directors' compensation: According to the Company's Articles of Incorporation, the Board of Directors is authorized to refer the remuneration to the Company's Directors with reference to peer levels.

(2) Remuneration to president and vice president: According to the Company's Articles of Incorporation, the Company may create one President and several vice president positions, the appointment, dismissal, and compensation of whom may not exceed the salary ceilings stipulated in the Company's Salary Determination Policy.

III. Corporate governance

(I) Functionality of the board of directors

A total of 8 board meetings (A) were held in Fiscal Year 2025; below are the attendance of the directors:

Position	Name	No. of in-person attendance (B)	No. of proxy attendance	In-person attendance rate [B/A]	Remarks
Chairman	Corporate Representative, Enriched Partner Co., Ltd.: Yung-Lun Chen	8	0	100%	
Director	Corporate Representative, Enriched Partner Co. Ltd.: Shao-Kang Leng	8	0	100%	
Director	Corporate Representative of Enriched Partner Co. Ltd.: Ming Yeh	8	0	100%	
Director	Corporate Representative of Enriched Partner Co., Ltd.: Hsiang-Jen Cheng	8	0	100%	
Independent Director	Chi-Chun Lin	8	0	100%	
Independent Director	Chao-Hsien Li	8	0	100%	
Independent Director	Cheng-Hsiung Wangtsao	8	0	100%	
Independent Director	Fu-Chuan Chien	8	0	100%	

Other mandatory disclosures:

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:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to pages 51-55 of this annual report for the major resolutions of the Board of Directors.

(II) Except for the preceding matters, any matter resolved by the Board of Directors with an independent director expressing an objection or reservation that has been included in records or stated in writing: None.

II. Recusal of the directors from motions involving their interest, specify the names of the directors, the content of the motions, the reason for recusal, and the participation in voting:

(I) April 23, 2025, Board of Directors meeting

The Company

The appointment of members for the 1st "Sustainable Development Committee": Chairman Yung-Lun Chen and Independent Director Fu-Chuan Chien, having a conflict of interest, recused themselves from the discussion and voting. Director Hsiang-Jen Cheng was requested to act as temporary chairman. After consultation with the remaining attending directors, the proposal was approved as presented.

(II) May 9, 2025, Board of Directors meeting

The proposal for the Company to sign a trademark license agreement with Ark Solar Energy Co., Ltd.: Chairman Yung-Lun Chen, having a conflict of interest, recused himself from the discussion and voting. Independent Director Cheng-Hsiung Wangtsao was requested to act as temporary chairman. After consultation, all remaining attending directors unanimously approved the proposal.

(III) December 23, 2025, Board of Directors meeting

For the proposal for year-end bonus to managerial officers of the Company in Fiscal Year 2025: Except for directors who did not participate in the discussion and voting, namely representatives Mr. Yung-Lun Chen and Mr. Shao-Kang Leng from Enriched Partner Co., Ltd., none of the rest of the attending directors expressed dissent; the proposal was approved as proposed.

(IV) December 23, 2025, Board of Directors meeting

The Company's Chairman Remuneration Proposal: Chairman Yung-Lun Chen, having a conflict of interest, designated Director Hsiang-Jen Cheng to temporarily chair the proposal. After consultation, all remaining attending directors unanimously approved the proposal.

III. Evaluation cycle, evaluation period, evaluation scope, evaluation method and evaluation content of the Board's self (or peer) evaluation:

Implementation of the evaluation of the Board of Directors

Assessment cycle	Assessment duration	Scope of assessment	Assessment method	Assessment details
Once a year	January 2025 - December 2025	Performance evaluation of the Board of Directors, individual board members, and functional committees.	Self-evaluation of the Board of Directors, individual board members, and functional committees.	1. Board performance evaluation: board's participation in the Company's operations, the quality of board's decisions, ongoing education of board members, and enforcement of internal control. 2. Performance evaluation of individual board members: directors' awareness of the Company's goals and missions, awareness of duties, level of participation in the Company's operations, and maintenance of internal relations and communication. 3. Performance evaluation of functional committees: participation in the Company's operations, awareness to duties, quality of committee's decisions, and composition and member selection.

IV. Objectives (e.g. forming an audit committee, improving information transparency) to enhance Board functions during the most recent fiscal year and evaluation of the implementation: Handled in accordance with the "Rules of Procedure for Shareholders' Meetings."

(II) The operation of the Audit Committee:

A total of eight Audit Committee meetings (A) were held in Fiscal Year 2025; below are the attendance of the independent directors:

Position	Name	No. of in-person attendance (B)	No. of proxy attendance	In-person attendance rate (%) [B/A]	Remarks
Independent Director	Chi-Chun Lin	8	0	100%	
Independent Director	Chao-Hsien Li	8	0	100%	
Independent Director	Cheng-Hsiung Wangtsao	8	0	100%	
Independent Director	Fu-Chuan Chien	8	0	100%	
Other mandatory disclosures: I. Where any of the following circumstances occur in relation to the operation of the Audit Committee, the date, term and proposal of the Audit Committee meeting, as well as the dissent, reservation or major suggestion of any independent director, the Audit Committee resolution, and how the Company manages the Committee's opinions shall be described. (I) Matters listed in Article 14-5 of the Securities and Exchange Act: Please refer to pages 51-55 of this annual report for the major resolutions of the Board of Directors. (II) Other than the foregoing, resolutions not approved by the Audit Committee and approved by two-thirds or more of all directors: None. II. Recusal of the independent directors from motions involving their interest, specify the names of the independent directors, the content of the motions, the reason for recusal, and the participation in voting: None. III. Communication between independent directors, internal audit officer and CPA (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included): 1. The Audit Office sends the audit report to the independent directors for review every month. The chief auditor also attends the Audit Committee and board meetings to submit reports. 2. The internal auditor and independent director may contact independent directors whenever necessary, and they can make smooth communication: Internal audit-related matters may be communicated via e-mail or telephone. 3. The CPAs also attend the Audit Committee and board meetings and report the audit results on the financial statements.					

(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assessment criteria	Current practices			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company has established the "Corporate Governance Best-Practice Principles" and disclosed it on the Company's website.	None
II. Equity structure and shareholders' equity (I) Has the company formulated internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters and have the procedures been implemented accordingly?	V		(I) In addition to the contact phone number and e-mail address of the spokesperson, the Company also has the contact information of the Company's stock affairs agent, "Yuanta Securities Co., Ltd.," on the Company's website. If you have any comments or questions, you can directly ask the relevant personnel. The Company maintained smooth communication channels to protect the legitimate rights and interests of investors and stakeholders.	None
(II) Does the company possess a list of the company's major shareholders and a list of the ultimate controllers of its major shareholders?	V		(II) The Company keeps track of the shareholdings of directors, managers, and the top ten shareholders.	
(III) Has the company established and implemented the risk control and firewall mechanisms between the affiliates?	V		(III) The Company has implemented internal control policies such as the "Operational Procedures for Supervision of Subsidiaries," and developed monitoring practices regularly in accordance with the internal audit system.	

Assessment criteria	Current practices			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Has the company set up internal regulations to prohibit internal personnel from utilizing undisclosed information to trade securities?	V		(IV) The Company has the "Insider Trading Prevention Policy" in place to prevent insiders from trading securities against non-public information.	
III. Composition and duties of the Board of Directors (I) Has the board formulated a diversity policy and specific management objectives, and have they been implemented? (II) Apart from the remuneration committee and audit committee, has the company voluntarily established other functional committees? (III) Has the company established Regulations Governing the Board Performance Evaluation and its evaluation methods? Does the company conduct a performance evaluation each year, submit	V V	 V	(I) Please refer to "Diversity and independence of the Board of Directors" on pages 13-16 of this annual report. (II) To implement sustainable development, promote social welfare, strengthen corporate governance, and enhance the quality of sustainability information disclosure, the Company has established a Sustainability Committee under the Board of Directors to enhance the functions of the Board and the corporate governance mechanism. The Company's first Sustainability Development Committee was established on April 23, 2025. Its members include Director Yung-Lun Chen, Independent Director Fu-Chuan Chien, CFO Tsan-Tseng Yeh, and Assistant Vice President I-Hsin Pao. Director Yung-Lun Chen was elected as the Convener by the committee members. (III) The Company has adopted the "Rules for Performance Evaluation of Board of Directors" and conducts performance assessments on a yearly basis.	None

Assessment criteria	Current practices			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
the performance evaluation results to the board of directors and use them as reference in determining remuneration for individual directors, and nomination for reappointment? (IV) Does the company regularly assess the independence of its CPAs?	V		(IV) The Company evaluates the independence and suitability of its CPAs every year, and requires CPAs to provide a "Declaration of Independence." It has been confirmed that the CPAs have no other financial interests or business relationships with the Company, except for the expenses of audit and taxation cases, and the members of the CPAs' family have not violated the independence requirements.	
IV. Has the company designated an appropriate number of personnel that specialize in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed and assist directors and supervisors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes)?	V		The staff of Finance Department of the Company is concurrently responsible for corporate governance-related affairs.	None
V. Has the company established channels for communication with the stakeholders (including but not limited to	V		The Company has set up a stakeholder section on the Company's website providing the spokesperson's contact number and	None

Assessment criteria	Current practices			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
shareholders, employees, customers, and suppliers), and set up a section for stakeholders on the official website of the company with a proper response to the concerns of the stakeholders on issues related to corporate social responsibility?			e-mail address, to properly respond to related issues of concern to stakeholders.	
VI. Does the company engage a professional stock transfer agency to handle affairs related to shareholders' meetings?	V		The Company appoints the Share Administration Department, Yuanta Securities Co., Ltd. to handle the shareholders' meeting affairs.	None
VII. Information disclosure (I) Does the company have a website set up where its financial business, and corporate governance information is disclosed?	V		(I) Information on the Company's finance and corporate governance can be obtained through the Market Observation Post System. In addition, the Company has set up a website to regularly disclose the Company's relevant financial, business and corporate governance information in the Investor Section.	None
(II) Has the company adopted other information disclosure methods (e.g. establishing an English website, designating a responsible person for collecting and disclosing information of the company, substantiating the spokesman system, and uploading the procedure of investors conference on its website)?	V		(II) The Company has set up a public website and designated dedicated personnel to be responsible for the collection and disclosure of Company information. The information related to shareholders' meetings or brief session is updated on the Company's website in a timely manner for investors to inquire.	
(III) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published	V		(III) The Company publishes and reports the annual financial statement, financial statements for the first, second, and third quarters, as	

Assessment criteria	Current practices			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?			well as monthly operating status within the time limit prescribed by laws and regulations. For the disclosure of the above information, please refer to the Market Observation Post System.	
VIII. Is there any important information (including but not limited to employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of the directors and supervisors, implementation of risk management policy and risk measurement criteria, the pursuit of customer policy, and the purchase of liability insurance for the company's directors and supervisors) that is helpful in understanding the corporate governance operation of the company?	V		(I) Employee benefits and employee care: The Company has always recognized "people" as the most important advantage to any organization since it was founded. In addition to implementing robust human resource policies, the Company also adopts management practices and welfare measures out of respect for human nature, and places "compassion" at the foundation of its business philosophy. A variety of channels have been put in place to learn employees' opinions and needs, and to facilitate communication for problem-solving. (II) Investor relations: The Company discloses information in accordance with laws for the protection of investors' interest and for the fulfillment of its duties to shareholders. (III) Supplier relations: The Company maintains productive relationship with all its suppliers, and works with suppliers to track, manage, and prohibit uses of hazardous materials as part of their fundamental responsibilities to society.	None

<table>
<tr><td rowspan="2">Assessment criteria</td><td colspan="3">Current practices</td><td rowspan="2">Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary description</td></tr>
<tr><td></td><td></td><td></td><td>(IV) Stakeholder rights: Stakeholders are able to communicate with and make suggestions to the Company for the protection of their interests.
(V) Continuing Education of Directors: Please refer to Page 48 of this annual report for further education of directors in Fiscal Year 2025.
(VI) Liability insurance for directors and supervisors: The Company has purchased liability insurance for directors and supervisors, and the liability insurance took effect on February 26, 2026.</td><td></td></tr>
<tr><td colspan="5">IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose priorities for enhancement matters and measures for any issues that are to be improved. (Not required if the Company is not one of the evaluated subjects.)
The Company was not listed for evaluation in Fiscal Year 2025.</td></tr>
</table>

(IV) Composition, responsibilities, and functionality of the Remuneration Committee:

1. Information on the members of the Remuneration Committee:

April 29, 2026

Role \ Criteria \ Name		Professional qualification and experience	Compliance of independence	Number of concurrent positions as Remuneration Committee member in other public companies
Independent Director/Convener of Remuneration Committee	Cheng-Hsiung Wangtsao	Refer to pages 4-5 for information on directors.	Refer to pages 4-5 for information on directors.	None
Independent Director	Chao-Hsien Li			None
Independent Director	Chi-Chun Lin			None
Independent Director	Fu-Chuan Chien			None

2. Functionality of the Remuneration Committee:
   (1) The Remuneration Committee comprises four members.
   (2) The term of office of the current members: July 11, 2024 to June 27, 2027. The Remuneration Committee held four meetings (A) in Fiscal Year 2025. The qualifications and attendance of members are as follows:

Position	Name	No. of in-person attendance (B)	No. of proxy attendance	In-person attendance rate (%) (B/A)	Remarks
Convener	Cheng-Hsiung Wangtsao	4	0	100%	
Committee member	Chao-Hsien Li	4	0	100%	
Committee member	Chi-Chun Lin	4	0	100%	
Committee member	Fu-Chuan Chien	4	0	100%	

Other mandatory disclosures:

1. If the board of directors declines to adopt or modify a recommendation from the remuneration committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the remuneration committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): None.
2. As for the resolution of the remuneration committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: None.

(III) State of the promotion of sustainable development operations and any deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons for such deviation

Aspects	Execution progress			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development which is authorized by the board of directors to be handled by senior management and supervised by the board of directors?	V		The Company has established a part-time unit dedicated to promoting sustainable development. Furthermore, on April 23, 2025, the Board of Directors approved the establishment of the 1st Sustainability Development Committee.	None
II. Has the company conducted risk assessments of environmental, social and corporate governance issues pertaining to company operation in accordance with the materiality principle and established the relevant risk management policy or strategy?	V		The Company enforces energy, power, and water conservation measures, and resource classification and recycling in its operations, and engages legitimate environmental protection service providers to recycle and handle waste. The Company regularly evaluates operating costs, profitability, price index, internal and external salary fairness, and performance management, and takes into account social responsibilities to establish a reasonable salary and remuneration policy. The Company will promote the importance of ethical corporate management, trade secrets, and insider trading regulations to managers and employees in a timely manner. If employees violate the rules, they will be reported and punished depending on the severity of the violation, and their violation will be linked to the performance appraisal system.	None
III. Environmental issues (I) Does the company have an appropriate environmental management system	V		The Company enforces energy, power, and water conservation measures, and resource classification	None

Aspects	Execution progress			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
established in accordance with its industrial characteristics?			and recycling in its operations, and engages legitimate environmental protection service providers to recycle and handle waste.	
(II) Is the company committed to enhancing the utilization efficiency of resources and using renewable materials that have low impact on the environment?	V		All plants are committed to sorting and recycling waste, and increasing the efficiency of resource usage.	None
(III) Does the company assess the present and future potential risk and opportunities of climate change and adopt countermeasures related to climate issues?	V		The Company enforces energy, power, and water conservation measures, and resource classification and recycling in its operations, and engages legitimate environmental protection service providers to recycle and handle waste.	None
(IV) Has the company prepared statistics on greenhouse gas emissions, water consumption and total volume of waste for the past two years, and formulated policies to save energy and reduce carbon, greenhouse gas, water use, or other waste management?	V		The Company focuses on environmental protection. Besides checking total power consumption, total garbage amount and total waste amount, it enforces energy, power, and water conservation measures, and resource classification and recycling in its operations, and engages legitimate environmental protection service providers to recycle and handle waste.	None
IV. Social Issues (I) Does the company have the relevant management policies and procedures stipulated in accordance with the applicable laws and regulations and the international human rights conventions? (II) Has the company established and implemented reasonable measures for employee benefits (including: remuneration, holidays and other benefits) that appropriately reflects the business performance or achievements in the employee remuneration? (III) Has the company provided	V V V		(I) The Company complies with employment regulations and protects employees' legal rights. (II) The Company complies with the Labor Standards Act and has a Welfare Committee in place to implement leave of absence and welfare measures. (III) The Company organizes	None

Aspects	Execution progress			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
employees with a safe and healthy work environment and regularly provided safety and health education to employees? (IV) Has the company established an effective career development training program for its employees? (V) Does the company comply with laws and international standards with respect to customer health, safety and privacy, marketing and labeling in all products and services offered, and has the company implemented consumer protection policies, customer rights policies, and complaint procedures? (VI) Has the company implemented a supplier management policy that regulates suppliers' conduct with respect to environmental protection, occupational safety and health or work rights/human rights issues, and does the company track suppliers' performance on a regular basis?	 V V V		employee health checkups and promotes fire safety on a regular basis, and is committed to providing employees with a safe and healthy work environment. (IV) Employees receive internal and external professional training from time to time. (V) The Company complies with all relevant laws and regulations and issues matters in accordance with the relevant ISO regulations. (VI) Prior to transacting with a supplier, the Company would evaluate the eligibility of the trade counterparty, including the quality and safety of the products offered.	
V. Has the company prepared a sustainability report or a report on non-financial information with reference to internationally accepted standards or guidelines? Are the abovementioned reports supported by assurance or opinion of a third-party certifier?		V	The Company prepares its report based on the 2021 GRI Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI) and makes relevant disclosures with reference to the standards of the Sustainability Accounting Standards Board (SASB). In addition, this report is also prepared in accordance with the Taiwan Stock Exchange's "Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and the	None

Aspects	Execution progress			Deviation and causes of deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			"Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies" to disclose the Company's relevant actions and achievements in corporate social responsibility and sustainable development, and to provide transparent information to stakeholders. The Company's Sustainability Report for this Year has not yet obtained assurance or guarantee from an independent third-party verification body.	
VI. If the company has formulated its own Sustainable Development Best-Practice Principles in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies," please describe the differences between its operation and the Principles: The Company has not yet formulated the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies. However, in order to practice corporate citizen responsibility and demonstrate the company's commitment to employees and shareholders, in addition to implementing information transparency, it has also actively integrated environmental protection awareness into corporate operations. The Company has complied with the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies."				
VII. Other important information to help understand the promotion of sustainable development implementation: The Company is committed to reducing energy and carbon and making positive contributions to the environment. Raw materials generated from production procedures are reused and recycled where possible, and actions are being taken to prevent pollution through waste management. By enforcing energy conservation, emission reduction, and green transformation, the Company does what it can to protect the environment as part of its responsibilities to the society.				

Climate-Related Disclosures for TWSE/TPEx Listed Companies:

I. Execution progress of Climate-Related Information

Item	Execution progress
1. Explanation of the Board of Directors and Management's Supervision and Governance of Climate-Related Risks and Opportunities	The Company's Board of Directors is the highest supervisory body for climate-related risks and opportunities, responsible for overseeing the overall sustainability strategy and execution progress. To strengthen the management of climate-related issues, the Company has established a Sustainability Committee under the Board of Directors to assist the Board in promoting the planning and execution of sustainable development policies, systems, and relevant management guidelines. The Sustainable Development Committee is responsible for identifying climate-related risks and opportunities, formulating response strategies, and regularly reviewing execution progress. The related outcomes are reported to the Board of Directors at least once a year for supervision and necessary guidance and adjustments to ensure the effective operation of the climate-related risk management mechanism.
2. Explanation of How Identified Climate Risks and Opportunities Affect Business Operations, Strategies, and Financials (Short-, Medium-, and Long-Term)	The Company refers to the TCFD (Task Force on Climate-related Financial Disclosures) framework to identify physical and transition risks related to climate change. The impacts on business operations, strategies, and financials are assessed for the short-term (2025–2027), mid-term (2027–2035), and long-term (2036–2050) as follows: (I) Climate Risk 1. Physical Risk: In the Short-Term, extreme weather events (e.g., typhoons, heavy rainfall, etc.) may cause damage to plant equipment and inventory, affecting operational continuity and increasing repair and operational costs. In the medium to Long-Term, climate change may affect the stability of the supply chain and the configuration of production sites, thereby impacting asset values and revenue. 2. Transition Risk: As global net-zero carbon policies advance, the tightening of carbon fees, carbon taxes, and related regulations will increase the Company's operating costs and future capital expenditures. Furthermore, changes in energy transition and low-carbon market demand may impact product competitiveness and revenue structure, posing market risks if strategies are not adjusted in a timely manner. (II) Climate Opportunity In the Short-Term, by introducing energy-saving equipment and enhancing energy management, it helps to reduce energy usage costs and improve operational efficiency. In the medium to Long-Term, as demand for low-carbon products and green energy

	markets increases, The Company can develop energy-saving and low-carbon related products and services to explore new market opportunities and drive revenue growth. (III) Financial impact The aforementioned climate risks and opportunities will impact the Company's financial position through aspects such as operating costs, capital expenditures, asset value, and revenue performance. The Company will continue to adjust its operational strategies and resource allocation based on the results of the Climate Risk assessment, in order to enhance corporate resilience and seize development opportunities brought by the low-carbon transition.
3. Explanation of the Financial Impacts of Extreme Weather Events and Transition Actions	The Company refers to the TCFD (Task Force on Climate-related Financial Disclosures) framework and the policy directions of the "Paris Climate Agreement," the 2050 net-zero emission target, and the "Climate Change Response Act" to identify physical and transition risks related to climate change and assess their financial impacts as follows: (I) Physical Risk: Extreme weather events (e.g., typhoons, heavy rainfall, etc.) may cause damage to plant equipment and inventory, increase repair and operational costs, and affect revenue due to operational disruptions. Additionally, they may impact the stability of the supply chain, leading to delivery delays and increased procurement costs (Short-Term to Mid-Term). (II) Transition Risk: 1. Carbon taxes and fees: With the global trend toward net-zero emissions, countries are gradually implementing carbon pricing mechanisms. This could lead to increased operating costs and create indirect cost pressures passed on through the supply chain and logistics (Mid-Term). 2. Low-carbon economy transition: The global shift toward a low-carbon economy is rapidly driving the development of new products and business models. If product strategies are not adjusted in a timely manner, it may affect market competitiveness and lead to revenue loss (Mid-Term). 3. Energy market fluctuations: Energy transitions may lead to rising electricity prices and volatility in energy supply costs. Additionally, investments in energy-efficient equipment and low-carbon technologies will increase capital expenditures and operational costs (Mid-Term). 4. Reputational and legal risks: Insufficient climate-related management measures may lead to climate litigation, fines, and reputational damage, thereby affecting investor confidence and company value (Mid-Term). (III) Overall Financial impact Climate-related risks may affect the Company's financial performance through aspects such as increased operating costs, higher capital expenditures, impairment of asset value, and revenue fluctuations. The Company also refers to the results of climate scenario analyses (such as the IPCC AR6 scenarios) to continuously assess the potential impact of climate change on operations.

	It promptly adjusts operational strategies and resource allocation to mitigate risks and seize opportunities in the low-carbon transition.
4. Explanation of the Integration of Climate Risk Identification, Assessment, and Management into Enterprise Risk Management	The Company, through its Sustainable Development Committee and senior management from relevant departments, establishes mechanisms for the identification, assessment, and management of climate risk with reference to the TCFD (Task Force on Climate-related Financial Disclosures) framework. These activities are incorporated into the Company's overall risk management framework to ensure that climate issues are effectively integrated into corporate governance and operational decision-making processes. The Company's climate risk management process includes three key aspects: risk identification, risk assessment, and risk management. Through regular review and reporting mechanisms, it continuously monitors changes in climate-related risks and opportunities. The process is described as follows: (I) Risk Inventory (Identify): Based on the TCFD framework, relevant domestic and international climate-related regulations, and stakeholder concerns, potential climate risks and opportunities are identified. These are categorized by time horizon: short-term (1–3 years), mid-term (3–10 years), and long-term (over 10 years). (II) Key Risk Analysis (Assess): For the identified climate risks and opportunities, factors such as likelihood, impact severity, and timing are evaluated and prioritized. Key climate risks and opportunities with significant impact are then selected. (III) Financial Impact Assessment (Assess): For key risks and opportunities, further assess their potential financial impact on aspects such as operating costs, capital expenditures, and revenue stability to serve as a reference for decision-making. (IV) Response Strategy Planning and Management (Manage): For key risks and opportunities, feasible mitigation strategies (e.g., reduction, control, transfer, or acceptance) are assessed, management plans are formulated and incorporated into the company's operations and risk management mechanisms for continuous tracking and implementation. The results of the aforementioned climate risk management are regularly compiled by the Sustainable Development Committee and reported to the Board of Directors to strengthen the Board's supervisory function on climate-related issues and ensure the effective operation of the company's overall risk management system.
5. If scenario analysis is used to evaluate resilience against climate change risks,	The Company refers to the TCFD (Task Force on Climate-related Financial Disclosures) recommendations and has initially introduced climate scenario analysis methods. It also refers to international climate change scenarios (such as the IPCC AR6 scenarios) to assess the potential impact on the Company's operations under different climate change pathways. The analysis primarily considers climate policy trends (such as carbon fee and carbon tax mechanisms), changes in energy prices,

	the Company will disclose the scenarios, parameters, assumptions, and analytical factors adopted, as well as the key financial impacts derived from the analysis.	the frequency of extreme climate events, and market demands for low-carbon transition, evaluating their impact on operating costs, capital expenditures, and revenue. Currently, the results of scenario analysis are primarily used as a reference for risk identification and strategic planning, and precise actuarial evaluation of financial impacts has not yet been conducted. In the future, the Company will continue to enhance the depth and breadth of scenario analysis in accordance with regulatory requirements, and will disclose relevant assumptions, parameters, and financial impact information in a timely manner.
6.	If the Company has developed a transition plan to manage climate-related risks, please disclose its contents, including indicators and targets used to identify and manage physical and transition risks.	The Company, in response to climate change-related risks and the global net-zero emissions trend, has been continuously promoting energy conservation, carbon reduction, and energy management measures. It is gradually assessing low-carbon transition directions to reduce operational risks and enhance long-term competitiveness. In terms of physical risk management, the Company continuously monitors the impact of extreme weather on its operational sites and supply chain through its climate risk identification and assessment mechanisms, integrating these into its overall risk management framework for control and management. In terms of addressing Transition Risk, The Company has already begun promoting energy-saving measures, assessing the feasibility of improving energy use efficiency and introducing low-carbon technologies, and monitoring the development of carbon fees, carbon taxes, and related regulations to mitigate potential future cost impacts. Currently, related initiatives are still in the stage of continuous promotion and planning, and specific quantitative indicators and targets have not yet been established. In the future, the Company will gradually establish climate-related indicators and targets in accordance with operational development and regulatory requirements, and will disclose the execution progress in the annual report.
7.	If internal carbon pricing is used as a strategic planning tool, please describe the basis for determining the price.	As of the publication date of this annual report, the Company has not yet implemented internal carbon pricing as a management or decision-making tool. However, the Company is continuously monitoring the development trends of domestic and international carbon pricing mechanisms (such as carbon fees and carbon taxes) and, in conjunction with greenhouse gas inventories and Climate Risk assessment mechanisms, is evaluating the feasibility of introducing an internal carbon pricing system. If an internal carbon pricing mechanism is introduced in the future, it will be used as a reference for investment decisions, cost assessments, and risk management. The Company will disclose the basis and application methods for price determination in accordance with regulatory guidelines.

8.	If climate-related targets have been set, please provide details including the activities covered, GHG emission scopes, target timeline, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet targets, indicate their sources and volumes.	The Company has been attentive to climate change-related issues and is gradually promoting energy conservation, carbon reduction, and energy management measures, aiming to enhance energy use efficiency and reduce greenhouse gas emissions. The current climate-related targets are still in the planning and establishment phase, mainly covering energy use management and greenhouse gas emission inventories (primarily Scope 1 and Scope 2) at operational sites. The scope of assessment will gradually expand in line with future operational development. In terms of planning schedule, the Company will gradually establish medium- to long-term climate-related goals and management mechanisms based on climate risk assessment and regulatory developments, and will continuously track the execution progress. As of now, the Company has not utilized carbon offsets or Renewable Energy Certificates (RECs) as tools to achieve climate targets. Should there be any related planning in the future, the Company will disclose their sources and volumes in accordance with regulatory guidelines.
9.	Greenhouse Gas Inventory, Assurance, Reduction Targets, Strategies, and Action Plans	The Company has gradually promoted greenhouse gas inventory operations, focusing on direct emissions (Scope 1) and indirect emissions (Scope 2) at operational sites. It continues to enhance the integrity of inventory data and management mechanisms. Regarding the related inventory and assurance status, please refer to the section "2. Greenhouse Gas Inventory and Assurance Status Over the Past Two Years" of this annual report. In terms of reduction strategies, the Company is gradually reducing greenhouse gas emissions by improving energy use efficiency, promoting energy-saving measures, and optimizing processes. In conjunction with the Climate Risk assessment mechanism, it continuously reviews the effectiveness of its carbon reduction efforts. In terms of specific actions, The Company has already begun promoting energy management and energy-saving improvement measures, and assessing the feasibility of introducing low-carbon technologies to reduce the carbon emission intensity in its operations. In the future, the Company will continue to improve its greenhouse gas inventory, reduction targets, and management mechanisms in accordance with operational development and regulatory requirements, and will timely disclose the relevant execution progress.

II. Greenhouse Gas Inventory and Assurance for the Past Two Years

1. GHG Inventory Information

Disclose the greenhouse gas emissions (tonnes CO2e), intensity (tonnes CO2e/NT$ million revenue), and data coverage for the most recent two years.
The Company has gradually promoted greenhouse gas inventory operations in accordance with its sustainable development strategy, and conducts self-inventories with reference to the Greenhouse Gas (GHG) Protocol. Currently, the inventory scope primarily includes direct emissions (Scope 1) and energy indirect emissions (Scope 2) at operational sites in Taiwan. Relevant data has been disclosed in the Company's sustainability report. As of the publication of this report, the Company has not yet completed GHG inventory based on the consolidated financial reporting boundary in accordance with the "ESG Sustainable Development Action Plan for TWSE and TPEx Listed Companies" issued by the competent authority. Therefore, emission figures (metric tons CO_2e), emissions intensity (metric tons CO_2e/NT$ million), and data coverage for the past two years are not yet available. In the future, the Company will gradually expand the inventory scope to the consolidated financial reporting boundary according to the timeline set by the competent authority, and improve the inventory mechanism and data quality. Relevant information will be disclosed in the annual report as required.

Note 1: Direct Emissions (Scope 1: GHG emissions directly from sources owned or controlled by the Company), Energy Indirect Emissions (Scope 2: indirect GHG emissions resulting from the generation of purchased electricity, heating, or steam consumed by the Company), and Other Indirect Emissions (Scope 3: all other indirect emissions occurring as a consequence of Company activities, from sources not owned or directly controlled by the Company).

Note 2: Data for Direct Emissions and Energy Indirect Emissions will be disclosed in accordance with the implementation timeline set forth under Article 10, Paragraph 2 of the applicable standards. Disclosure of Other Indirect Emissions is currently voluntary.

Note 3: GHG Inventory Standards: Greenhouse Gas Protocol (GHG Protocol); or ISO 14064-1, issued by the International Organization for Standardization (ISO)..

Note 4: Emissions intensity may be calculated per unit of product/service or revenue. At minimum, the Company will disclose GHG emissions per NT$ million in revenue.

2. GHG Assurance Information

Disclose the GHG assurance status for the most recent two years as of the publication date of the annual report, including the scope of assurance, the assurance provider, the applicable assurance standards, and the assurance opinion.
The Company is currently conducting self-inventories of greenhouse gases but has not yet implemented third-party assurance procedures. In accordance with the "ESG Sustainable Development Action Plan for TWSE and TPEx Listed Companies" issued by the competent authority, the Company will gradually carry out assurance operations for greenhouse gas emissions information according to the prescribed timeline. In the future, as the inventory scope expands and the system matures, a third-party assurance mechanism will be introduced to enhance the credibility and transparency of greenhouse gas information disclosure. The scope of assurance, the assurance institutions, the assurance standards, and the assurance opinions will be disclosed as required.

Note 1: Pursuant to the timeline outlined in Article 10, Paragraph 2 of the applicable regulations, if the Company is unable to obtain a complete greenhouse gas assurance opinion by the publication date of the annual report, it should state: 'Full assurance information will be disclosed in the Sustainability Report.' If the Company does not prepare a Sustainability Report, it should state: 'Full assurance information will be disclosed on the Market Observation Post System,' and the complete assurance information must be disclosed in the following year's annual report.

Note 2: Assurance providers must comply with the relevant qualifications and requirements for sustainability assurance institutions as stipulated by the Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEx).

Note 3: For recommended disclosure formats, please refer to the best practice examples on the TWSE Corporate Governance Center website.

3. Greenhouse Gas Reduction Targets, Strategies, and Action Plans

Explanation of the GHG Reduction Baseline, Targets, Strategies, Action Plans, and Progress
The Company has gradually promoted greenhouse gas reduction initiatives through energy management and operational optimization measures. These include improving energy use efficiency, promoting energy-saving measures, and introducing renewable energy (such as installing solar power systems at sites) to reduce carbon emissions during operations. However, as the GHG inventory based on the consolidated financial reporting boundary has not yet been completed, a formal reduction base year and quantitative reduction targets have not yet been established. In the future, the Company will, based on the inventory results and regulatory requirements, gradually establish a baseline year, targets, and specific action plans for greenhouse gas reduction. Additionally, it will continue to strengthen energy management and low-carbon transition measures to implement climate change management and sustainable development strategies.

Note 1: This should be conducted in accordance with the timeline stipulated in the order set forth in Article 10, Paragraph 2 of the applicable regulations.

Note 2: The base year should be the year in which the inventory based on the consolidated financial reporting boundary is completed. For example, according to the order stipulated in Article 10, Paragraph 2 of the applicable regulations, companies with capital of NT$10 billion or more are required to complete the inventory for the 2024 consolidated financial report in 2025. Therefore, the base year is 2024. If a company has completed the inventory for the consolidated financial report earlier, that earlier year may be used as the base year. Furthermore, the base year data may be calculated as a single year or an average over several years.

Note 3: For recommended disclosure formats, please refer to the best practice examples on the TWSE Corporate Governance Center website.

(VI) Enforcement of business integrity, and deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX-Listed Companies

Assessment criteria	Current practices			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Establishment of the ethical corporate management policy and action plans				
(I) Has the company established an ethical corporate management policy approved by the board of directors? Does the policy clearly specify the ethical corporate management policies in its rules and external documents, and the commitment of the board of directors and the senior management to proactively implement the management policy?	V		(I) The Company shall abide by the operational philosophies of honesty, transparency and responsibility, has formulated the Ethical Corporate Management Best-Practice Principles, which were approved by the Board of Directors, to clearly stipulate that all employees must comply with government laws and regulations and commitments when conducting business, so as to create an operational environment for sustainable development.	None
(II) Has the company established a risk assessment mechanism against unethical acts, analyzed and assessed business activities within their business scope regularly that are at a higher risk of being involved in unethical acts, and established prevention programs covering at least the preventive measures specified in Paragraph 2, Article 7 "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		(II) The Company has explicitly defined the business activities possibly at a higher risk of being involved in an unethical conduct specified in the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" in the internal regulations. Executives will promote the ethics concept internally and encourage employees to report any violation of laws, regulations or the Principles to their executives with their names signed, in order to comply with relevant laws and internal operating procedures.	
(III) Has the company clearly provided the operating procedures, conduct guidelines, disciplines for violations and a grievance system in its	V		(III) The Company has clearly defined relevant regulations and actively promotes them to prevent unethical behaviors.	

Assessment criteria	Current practices: Yes	No	Summary description	Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
program to prevent unethical acts and have these been implemented, and has the formally disclosed program been regularly reviewed and amended?				
II. Implementation of ethical corporate management (I) Has the company evaluated the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements entered into with business partners?	V		(I) Prior to engaging in commercial activities with an external partner, the Company would investigate the trade counterparty for history of dishonest conduct and decide whether to continue business relationship based on the findings.	None
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and has such unit reported to the Board of Directors its execution in terms of ethical management policy and preventive programs against unethical conducts and the supervision status on a regular basis (at least once a year)?	V		(II) The Company engages in commercial activities out of the utmost fairness, honesty, faithfulness and transparency to fully enforce ethical management policies and actively prevent unethical conducts.	
(III) Has the company formulated a policy that prevents conflicts of interest and a channel that facilitates the reporting of conflicts of interests?	V		(III) Members of the board would recuse themselves from participating in discussion and voting on motions that have the potential to compromise the Company's interests.	
(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and proposed relevant audit plans according to the assessment results of the risks of unethical conducts, and reviewed the compliance of the prevention of unethical conducts, or entrusted an	V		(IV) In order to implement ethical and honest management, the Company has established a rigorous accounting system and a dedicated accounting unit, An internal control system and detailed internal audit procedures have been established. The audit unit draws up audit plans based on risk considerations. Financial	

Assessment criteria	Current practices			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
accountant to carry out the review? (V) Does the company organize internal or external training on a regular basis to maintain ethical management?	 V		reports are all audited by CPAs to ensure the fairness of the financial statements. (V) At least once a year, the Company promotes the implementation of ethical corporate management matters to directors, managers and employees.	
III. State of operations of the company's reporting system (I) Has the company set up a specific reporting and incentive system, and established a channel to facilitate grievances and assigned dedicated personnel to receive grievances? (II) Has the Company formulated standard operating procedures to investigate the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms? (III) Has the company taken appropriate measures to protect the whistleblower from improper treatment as a result of whistleblowing?	 V V V		 (I) The Company has established a complaint handling system and regulations on rewards and punishments, which specify the unit receiving the report, the method of whistleblowing, and handling procedures. (II) As for the code of business conduct ethical management and the complaint handling system, the Company has formulated standard operating procedures to investigate the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms. (III) The Company uses its best efforts to protect the confidentiality of whistleblowers and it is obligated to protect the identity of the whistleblowers to prevent whistleblowers from improper disposal.	 None
IV. Information disclosure strengthening Has the company disclosed the content of its ethical corporate management best-practice principles and the results of implementation on its official website and the MOPS?	V		The Company has disclosed the Ethical Corporate Management Best-Practice Principles on its website.	None

Assessment criteria	Current practices			Deviation and causes of deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
V. If the company has formulated its own Ethical Corporate Management Best-Practice Principles in accordance with the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies," please describe the deviations between its operation and the Principles: The Company has established the Ethical Corporate Management Best-Practice Principles, and its ethical corporate management has been executed based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies."				
VI. Any other important information that may help understanding the performance of ethical corporate management better (e.g. review of an amendment to its Ethical Corporate Management Best-Practice Principles): The Company complies with the Company Act, the Securities and Exchange Act, relevant regulations for listing on the stock exchange, and other relevant laws and regulations. Compliance is the basics of its ethical corporate management. It is prohibited to engage in unethical conducts with counterparties in external business transactions.				

(VII) Other important information material to the understanding of corporate governance within the Company:

1. Continuing education of the directors in Fiscal Year 2025:

Position	Name	Course date	Name of course	Course hours
Corporate director Representative	Yung-Lun Chen	2025/11/27	Discuss the Green and Transition Finance Action Plan - Sustainable Development Blueprint and Directors' Responsibilities	3 hour(s)
		2025/11/28	Analyze global net-zero sustainability trends and Taiwan's carbon reduction pathways.	3 hour(s)
Corporate director Representative	Shao-Kang Leng	2025/5/2	Fiscal Year 2025 Insider Trading Prevention Seminar	3 hour(s)
		2025/7/9	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6 hour(s)
Corporate director Representative	Ming Yeh	2025/3/7	Practical Issues of Mergers and Acquisitions and Related Labor Issues	3 hour(s)
		2025/12/19	Analyze global net-zero sustainability trends and Taiwan's carbon reduction pathways.	3 hour(s)
		2025/12/19	In-depth Analysis of Domestic and International Merger Practices	3 hour(s)
Corporate director Representative	Hsiang-Jen Cheng	2025/5/27	"Forum on Strengthening Natural Capital with Financial Power"	2 hour(s)
		2025/6/10	Strengthen climate information disclosure to enhance corporate climate resilience.	6 hour(s)
		2025/9/26	Fiscal Year 2025 Insider Trading Prevention Seminar	3 hour(s)
		2025/10/15	IR & Engagement New Trend: ESG and Sustainable Investment Forum	3 hour(s)
		2025/10/16	The 15th Taipei Corporate Governance Forum	6 hour(s)
Independent Director	Chi-Chun Lin	2025/3/24	Trends, Cases, and Countermeasures in Anti-Money Laundering and Emerging Financial Crimes	3 hour(s)
		2025/10/3	Fiscal Year 2025 Insider Trading Prevention Seminar	3 hour(s)
Independent Director	Cheng-Hsiung Wangtsao	2025/10/23	Creating a Diverse and Inclusive Organizational Environment: Discussing the Necessity of Promotion and Leadership Enhancement Through Workplace Bullying Incidents	3 hour(s)

Position	Name	Course date	Name of course	Course hours
		2025/11/5	Insider trading practical cases and related legal responsibilities	3 hour(s)
Independent Director	Chao-Hsien Li	2025/3/24	Trends, Cases, and Countermeasures in Anti-Money Laundering and Emerging Financial Crimes	3 hour(s)
		2025/6/13	Examining the Anti-Money Laundering Act from the Perspective of Judicial Practice	3 hour(s)
Independent Director	Fu-Chuan Chien	2025/3/7	Practical Issues of Mergers and Acquisitions and Related Labor Issues	3 hour(s)
		2025/3/26	Matters to be Noted by Shareholders of the 2025 Board of Directors and Discussion of Frequently Asked Questions	3 hour(s)

2. Status of managers' participation in corporate governance-related education and training in Fiscal Year 2025:

Position	Name	Course date	Name of course	Course hours
CFO	Tsan-Tseng Yeh	2025/7/14-2025/7/23	Introductory Course for Certified Public Accountants	30 hour(s)
Corporate Governance Officer	Su-Ying Huang	2025/5/2	Fiscal Year 2025 Insider Trading Prevention Seminar	3 hour(s)
		2024/7/9	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6 hour(s)
		2025/8/8	2025 Seminar for Legal Compliance for Insiders	3 hour(s)
		2025/9/25	Prepare for the significant changes in financial performance expression brought by IFRS 18 and the related S1S2 regulations.	4 hour(s)
		2025/10/30	Special Seminar on Corporate Governance and Sustainability Disclosure in Q4 2025	3 hour(s)
		2025/11/20	Listed company business promotion conference	3 hour(s)
Chief Auditor	Cheng-Lien Lin	2025/06/17	Internal control and audit practices for sustainable information management	6 hour(s)
		2025/11/11	Sales and Collection Cycle Audit and Purchasing and Payment Cycle Audit	6 hour(s)

(VIII) Internal control

1. Statement of Internal Control System

Jenn Feng Industrial Tools Co., Ltd.

Statement of Internal Control System

Date: March 11, 2026

Based on the results of the self-assessment conducted for Fiscal Year 2025, the Company makes the following declaration:

I. The Board of Directors and management acknowledge that establishing, implementing, and maintaining an effective internal control system is their responsibility. The Company has duly established such a system. The purpose of the internal control system is to provide reasonable assurance in achieving the following objectives: operational effectiveness and efficiency (including profitability, performance, and safeguarding of assets), reliability, timeliness, and transparency of reporting, as well as compliance with applicable laws, regulations, and corporate policies.

II. It is recognized that any internal control system, regardless of how well designed, has inherent limitations. As such, even an effectively implemented system can only provide reasonable, not absolute, assurance regarding the achievement of the aforementioned objectives. Additionally, the effectiveness of internal controls may be subject to changes due to evolving environments and circumstances. Nevertheless, the Company's internal control system includes a self-monitoring mechanism. Whenever deficiencies are identified, corrective actions are promptly undertaken.

III. In accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"), the Company has evaluated the design and operating effectiveness of its internal control system based on the criteria set forth in the Regulations. The evaluation framework adopted by the Regulations divides the internal control system into five interrelated components of the management control process: 1. Control Environment, 2.Risk Assessment, 3.Control Activities, 4.Information and Communication, and 5.Monitoring Activities. Each component consists of multiple elements. For detailed information, please refer to the Regulations.

IV. The Company has adopted these criteria to assess the design and operating effectiveness of its internal control system.

V. Based on the results of this assessment, the Company concludes that as of December 31, 2025, its internal control system — including the supervision and management of subsidiaries — is effectively designed and operating, and provides reasonable assurance regarding the achievement of operational objectives, the reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and laws.

VI. This statement will be included in the Company's Annual Report and Prospectus, and will be publicly disclosed. Any false representation or material omission in the disclosed content may result in legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was duly approved by the Company's Board of Directors on March 11, 2026. Of the 8 directors in attendance, none opposed its content, and all others concurred.

Jenn Feng Industrial Tools Co., Ltd.

Chairman: Signature

2. CPA's project review report: None.

(IX) Major resolutions passed in shareholders' meetings and board of directors meetings held in the last year up until the publication date of the annual report:

1. Resolutions adopted at the annual general meeting on June 25, 2025 and their implementation:

Major resolutions	Execution progress
Passed the motion for 2024 business report and financial statements.	It became effective after a resolution of the shareholders' meeting, and was announced on the Market Observation Post System (MOPS) as required.
Passed recognition of the 2024 loss appropriation proposal	No dividend was distributed in 2024.
Passed partial amendments to the Company's "Asset Acquisition and Disposal Procedures"	Implemented in accordance with the resolution of the Shareholders' Meeting.
Passed partial amendments to the Company's "External Party Lending, Endorsement and Guarantee Procedures"	Implemented in accordance with the resolution of the Shareholders' Meeting.
Passed the motion for the Company's private placement issuance of preferred shares or private placement of domestic convertible corporate bonds.	Implemented in accordance with the resolution of the Shareholders' Meeting.
Proposed sale of shares in JFG International Incorporation, an investee company of the Company, and its amendments.	Implemented in accordance with the resolution of the Shareholders' Meeting.
Passed partial amendments to the Company's "Articles of Incorporation"	Implemented in accordance with the resolution of the Shareholders' Meeting.
Motion for the Company's private placement of preferred shares or private placement of domestic convertible corporate bonds.	Implemented in accordance with the resolution of the Shareholders' Meeting.

2. Important resolutions adopted at the Board meetings in Fiscal Year 2025 and up to May 15, 2026:

Date	Major resolutions
2025/2/11	Approved the capital reduction of JFG International Incorporation to enhance the management efficiency and streamline the organizational structure of the group (i.e., the Company and its subsidiaries).
	Approved the reclassification of fourth-quarter 2024 accounts receivable overdue for more than three months as non-loan in nature.
2025/3/12	Passed the Company’s 2024 business report, parent company only financial statements and consolidated financial statements
	Passed the Company's 2024 Statement of Loss Appropriation proposal
	Passed the Company’s 2024 "Statement of Internal Control System"
	Passed partial amendments to the Company's "Asset Acquisition and Disposal Procedures"
	Approved the revision of the “External Party Lending, Endorsement and Guarantee Procedures” of the Company and its subsidiaries
	The Company's “Audit Committee Organizational Charter” partial amendment proposal.
	Passed the partial amendments to the Company's "Rules of Procedure for Shareholders' Meetings"
	Approved the partial amendments of the provisions of the Company's "Corporate Governance Best-Practice Principles"
	Passed the proposal to convene the Company's 2024 regular shareholders' meeting proposal.
	Approved matters related to the proposal rights of shareholders at the 2024 annual general meeting
	Approved the motion for the evaluation of the managers' remuneration
	Approved the 2024 performance evaluations of Directors (including Independent Directors) and managerial officers of The Company
	Approved the promotion of I-Hsin Pao, Manager of the Enterprise Resources Department.
	Approved the relocation of the Company’s indirect subsidiary, Kunshan Jenn Fu Machinery Industry Co., Ltd.
2025/4/23	Approved the sale of shares in JFG International Incorporation, an investee company of the Company
	Passed partial amendments to the Company's "Articles of Incorporation"
	Approved the establishment of a Sustainability Committee under the Board of Directors and the adoption of the Company’s “Sustainability Committee Organizational Charter.”
	Passed the appointment of the 1st "Sustainable Development Committee" members.
2025/5/9	Approved the Q1 2025 Consolidated Financial Statements
	Approved the discontinuation of the private placement case (either special preferred shares or domestic convertible bonds) resolved at the 2024 annual general meeting during the remaining offer period.
	Passed the motion for the Company's private placement of preferred shares or private placement of domestic convertible corporate bonds.

Date	Major resolutions
	Approved the reclassification of first-quarter 2025 accounts receivable overdue for more than three months as non-loan in nature.
	Approved the execution of a trademark license agreement between the Company and Ark Solar Energy Co., Ltd.
	Approved the sale of shares in JFG International Incorporation, an investee company of the Company (transaction counterparty confirmed).
	Passed the adjustment and addition of the reason for convening the annual meeting of shareholders in 2025
	Passed the amendments to the Company's "Regulations for the Management of Fixed Assets"
	Passed amendments to the Company's "Regulations Governing Employee Welfare Programs"
	Passed partial amendments to the Company's "Asset Acquisition and Disposal Procedures"
	Passed amendments to the Company's "Regulations for the Management of Company Seals"
	Passed amendments to the Company's "Human Resources Review Committee Charter"
2025/08/06	Approved the Company's consolidated financial statements for the second quarter of 2025.
	Approved the reclassification of second-quarter 2025 accounts receivable overdue for more than three months as non-loan in nature.
	Approved the proposal for the Company to invest in establishing a subsidiary in Japan.
	Approved the bank financing quota application proposal.
	Passed the motion to prepare the Company's 2024 sustainability report proposal.
	Approved the proposal for the subsidiary, Hong Shi Investment Co., Ltd., to waive the receivables from the related party, Kunshan Jenn Fu Machinery Industry Co., Ltd.
2025/09/18	Approved Yu-Chang Chen's salary package as Vice President of The Company's Operations Department.
	Approved the case for the sale of shares in JFG International Incorporation, an investee company of the Company, with a proposed change in the transaction counterparty.
	Approved the remuneration for the General Directors of the 11th Board of Directors.
	Approved the remuneration for the Independent Directors of the 11th Board of Directors.
	Approved the remuneration for members of the 3rd Audit Committee.
	Approved the salary adjustment for Vice President Ren-Shan Chang
	Approved the changes in responsible persons, directors, and supervisors of all subsidiaries (five companies).
2025/11/06	Approved the acquisition of solar power generation equipment from Ark Solar Energy Co., Ltd. by the Company.
	Approved the Company's consolidated financial statements for the third quarter of 2025.

Date	Major resolutions
	Approved the reclassification of third-quarter 2025 accounts receivable overdue for more than three months as non-loan in nature.
	Approved the Company's participation in the cash capital increase plan of Chengfeng Energy Industrial Co., Ltd.
	Approved the proposal to increase capital in the overseas reinvestment Japanese subsidiary.
	Approved the appointment and audit fees of the CPA for Fiscal Year 2025.
	Approved the changes in directors and supervisors for the subsidiaries - JFG International Incorporation, Jennfeng International (B.V.I) Co., Ltd, and Shanghai Jenn Feng Industrial Co., Ltd.
2025/12/23	Approved the proposal for the Company's subsidiary - Chengfeng Energy Industrial Co., Ltd. to engage in a transaction with a related party.
	Passed the proposed amendments to the Company's "Shareholder Rights Operations" internal control system.
	Approved the "Operating Budget and Business Plan" of the Company in 2026.
	Passed the Company's 2026 Audit Plan.
	Approved the assessment of the independence and competency of the Company’s CPA.
	Approved the proposal for the Company to relocate as the lease of the original business address is about to expire, in order to ensure continued smooth operations.
	Approved the proposal for the Company's year-end bonus for managers in Fiscal Year 2025.
	Approved the proposal for the Chairman's remuneration of the Company.
	Approved the lawsuit filed by the Company for damages against former Chairman Yu-Cheng Li.
2026/03/11	2025 Business Report and Financial Statements Proposal.
	Approved the reclassification of fourth-quarter 2025 accounts receivable overdue for more than three months as non-loan in nature.
	Passed the Company's Proposal for the 2025 Loss Appropriation.
	Passed the Company’s 2025 "Statement of Internal Control System."
	Passed the proposal to convene the 2026 regular shareholders' meeting.
	Approved matters related to the proposal rights of shareholders at the 2026 annual general meeting.
	Approved the motion for the evaluation of the managers' remuneration of The Company.
	Approved the Fiscal Year 2025 performance evaluations of Directors (including Independent Directors) and managerial officers of The Company.
	Approved the bank financing quota application proposal.
	Approved the acquisition of solar power generation equipment from Ark Solar Energy Co., Ltd. by the Company.
	Approved the proposal to sell 100% shareholding of the subsidiary - Chengfeng Energy Industrial Co., Ltd.

Date	Major resolutions
2026/05/12	Approved the change of the Company's CPA due to internal adjustments at the accounting firm.
	Approved the Company's consolidated financial statements for the first quarter of 2026.
	Approved the classification of the Company's first-quarter 2026 accounts receivable overdue for more than three months as to whether they are of a loan nature.
	Approved the discontinuation of the private placement case (either special preferred shares or domestic convertible bonds) resolved at the 2025 annual general meeting during the remaining offer period.
	Passed the motion for the Company's private placement of preferred shares or private placement of domestic convertible corporate bonds.
	Approved the Q1 2026 accumulated losses reaching one-half of paid-in capital.
	Passed the proposal to add the reason for convening the shareholders' meeting in 2026 for The Company.
	Passed the amendments to the Company's "Regulations for the Management of Fixed Assets".

(X) Documented opinions or declarations made by directors or supervisors against board resolutions in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

IV. Information on the professional fees of the attesting CPAs:

(I) Fees to CPAs

Unit: NTD thousands

Name of accounting firm	Name of CPA	Period of audit service	Audit fee	Non-audit fee	Total	Remarks
KPMG Taiwan	Shu-Ling Lien Ying-Ru Chen	2025/01/01 - 2025/12/31	3,200	897		Non-audit fees refer to service fees for capital reduction, etc.

(II) Audit fee for the change of accounting firms paid in the year is less than the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.

(III) Over 10% decrease in audit fee on a year-to-year basis, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.

V. Change of CPA: None

VI. Where the company's chairman, president, or any manager in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliate of such accounting firm: None.

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

(I) Change in equity by a director, manager, or major shareholder:

Position	Name	Fiscal Year 2025		Current year up to April 30, 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Enriched Partner Co., Ltd.	0	0	0	0
	Corporate Representative: Yung-Lun Chen	0	0	0	0
Director/Vice President	Enriched Partner Co., Ltd.	0	0	0	0
	Corporate Representative: Shao-Kang Leng	0	0	0	0
Director	Enriched Partner Co., Ltd.	0	0	0	0
	Corporate representative: Ming Yeh	0	0	0	0
Director	Enriched Partner Co., Ltd.	0	0	0	0
	Corporate representative: Hsiang-Jen Cheng	0	0	0	0
Independent Director	Chi-Chun Lin	0	0	0	0
Independent Director	Chao-Hsien Li	0	0	0	0
Independent Director	Cheng-Hsiung Wangtsao	0	0	0	0
Independent Director	Fu-Chuan Chien	0	0	0	0
President	Yung-Lun Chen	0	0	0	0
Vice President	Yu-Chang Chen	0	0	0	0
Assistant Vice President	Yung-Chun Tang	0)	0	0	0
Assistant Vice President	Teng-Ping Yo	0	0	0	0
Assistant Vice President	I-Hsin Pao	0	0	0	0
Head of Finance	Tsan-Tseng Yeh	0	0	0	0
Corporate Governance Officer	Su-Ying Huang	0	0	0	0
Major shareholder	Enriched Partner Co., Ltd.	0	0	0	0

(II) The counterparty for the equity transfer is a related party: None.

(III) The counterparty for equity pledge is a related party: None.

VIII. Disclosure of relationships among the Company's top ten shareholders including spouse and second-degree relatives or closer:

April 30, 2026, unit: shares

Name (Note 1)	Shares held in own name		Shares held by spouse and underage children		Shares held in the names of others		Names and relationships of top-10 shareholders characterized as spouse or relative of the second degree or closer (Note 3)		Remarks
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Name	Relationship	
Enriched Partner Co., Ltd.	17,674,944	54.72	0	0	0	0			-
Representative, Enriched Partner Co., Ltd.: Yung-Lun Chen	0	0	0	0	0	0			-
Advanced International Treasure Investment Co. Ltd.	3,185,513	9.86%	0	0	0	0	Yu-Cheng Li	Chairman	-
Representative, Advanced International Treasure Investment Co. Ltd.: Yu-Cheng Li	794,902	2.46%	0	0	0	0	Yu-Cheng Li	The owner	-
An Cheng International Investment Co., Ltd.	2,000,062	6.19							
Representative, An Cheng International Investment Co., Ltd.: Yung-Lun Chen	0	0	0	0	0	0			
Yu-Cheng Li	794,902	2.46%	0	0	0	0	Advanced International Treasure Investment Co. Ltd.	Chairman	-
Hsiao Hui-Yin	690,868	2.14%	0	0	0	0	None	None	-
Fufengsheng Investment	467,000	1.45%	0	0	0	0	None	None	-
I-Chin Li	455,189	1.41%	0	0	0	0	None	None	-
Po-Tsung Huang	239,658	0.74%	0	0	0	0	None	None	-
Ho-Chih Huang	239,615	0.74%	0	0	0	0	None	None	-
Pocket Securities Investment Consulting Co., Ltd.	205,197	0.64%					None	None	

Note 1: List the top 10 shareholders. If they are corporate shareholders, list the names of the corporate shareholders and their representatives separately.

Note 2: The calculation of the percentage of shareholding refers to the calculation of the percentage of shareholding in the name of the shareholder themselves, spouse, minor children or another party.

Note 3: The aforementioned shareholders for disclosure shall include corporate shareholders and natural persons, with the relationships between the shareholders disclosed as required by the Criteria for the Compilation of Financial Statements by Securities Issuers.

IX. Investments jointly held by the Company, the Company's directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company, and shareholding in aggregate of the above parties.

March 31, 2026, unit: shares; %

Business investments (Note)	Held by the Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Aggregate ownership	
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage
JFG International Incorporation	9,551,848	100%	0	0	9,551,848	100%
Jumbo Time Investments Limited	6,756,428	100%	0	0	6,756,428	100%
JENN FENG INTERNATIONAL (B.V.I) CO., LTD.	0	0	10,000	100%	10,000	100%
Shanghai Jenn Feng Industrial Co., Ltd.	0	0	0	100%	0	100%
Kunshan Jenn Fu Machinery Industry Co., Ltd.	0	0	0	100%	0	100%
Chengfeng Energy Industrial Co., Ltd.	2,600,000	96.30%	0	0	2,600,000	96.30%
ARK JF PHILIPPINES INC.	1,999,998	100%	2	0	1,200,000	100%

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

Three. Capital Overview

I. Capital and outstanding shares

(I) Source of capital:

1. Formation of share capital

Unit: share/NT$

Year / month	Issued price	Authorized capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Paid in properties other than cash	Others
April 1976	10	5,000	50,000	5,000	50,000	Proprietary capital	None	Initial capital
October 2009	10	200,000,000	2,000,000,000	162,668,496	1,626,684,960	Capitalization of earnings	None	Reference No. Tai-Zheng-Shang-09800283361
October 2009	10	200,000,000	2,000,000,000	162,011,496	1,620,114,960	Capital reduction against treasury stock	None	Reference No. Tai-Zheng-Shang-09800275431
November 2011	10	200,000,000	2,000,000,000	163,884,496	1,638,844,960	Private placement of common shares	None	-
November 2014	10	200,000,000	2,000,000,000	83,135,851	831,358,510	Capital reduction against cumulative losses	None	Reference No. Tai-Zheng-Shang-I-10300231161
September 2018	10	200,000,000	2,000,000,000	56,135,851	561,358,510	Capital reduction against cumulative losses	None	September 6, 2018 Reference No. 107090601
November 2020	10	300,000,000	3,000,000,000	21,410,551	214,105,510	Capital reduction against cumulative losses	None	November 12, 2020 Reference No. 109111201
December 2020	10	300,000,000	3,000,000,000	26,410,551	264,105,510	Private placement of common shares	None	-
May 2021	10	300,000,000	3,000,000,000	33,888,999	338,889,990	Private placement of common shares	None	-
March 2023	10	300,000,000	3,000,000,000	75,838,999	758,389,990	Private placement of common shares	None	-
September 2023	10	300,000,000	3,000,000,000	53,838,999	538,389,990	Capital reduction against cumulative losses	None	September 19, 2023 Reference No. Tai-Zheng-Shang-I-1121804410
2024.09	10	300,000,000	3,000,000,000	323,000,000	323,000,000	Capital reduction against cumulative losses	None	2024.09.24 Reference No. Tai-Zheng-Shang-I-20231804444

2. Type of shares

Unit: share

<table>
<tr><th rowspan="2">Type of shares</th><th colspan="3">Authorized capital</th><th rowspan="2">Remarks</th></tr>
<tr><th>Outstanding shares</th><th>Unissued shares</th><th>Total</th></tr>
<tr><td rowspan="2">Common shares</td><td>8,266,357</td><td rowspan="2">267,700,000</td><td rowspan="2">300,000,000</td><td>Public-listed shares</td></tr>
<tr><td>24,033,643</td><td>Privately placed shares</td></tr>
</table>

3. Shelf registration method information: Not applicable.
4. Preferred shares: None.

(II) List of major shareholders:

Shareholding / Name of major shareholder	No. of shares held	Shareholding percentage
Enriched Partner Co., Ltd.	17,674,944	54.72%
Advanced International Treasure Investment Co. Ltd.	3,185,513	9.86%
An Cheng International Investment Co., Ltd.	2,000,062	6.19%
Yu-Cheng Li	794,902	3.05%
Hsiao Hui-Yin	690,868	2.14%
Fufengsheng Investment	467.000	1.45%
I-Chin Li	455,189	1.41%
Po-Tsung Huang	239,658	0.74%
Ho-Chih Huang	239,615	0.74%
Pocket Securities Investment Consulting Co., Ltd.	205,197	0.64%

(III) Dividend policy and execution

1. According to the Articles of Incorporation, surpluses concluded in a given year are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for statutory reserves and provision or reversal of special reserves in accordance with the Securities and Exchange Act. The residual balance is then added to unappropriated earnings accumulated from previous years, for which the board of directors will propose an earnings appropriation plan and seek resolution in a shareholders' meeting before distribution. However, shareholders may resolve to adjust the earnings appropriation plan and the percentage of dividends paid in cash depending on profitability and capital availability for the year. Cash dividends shall not be less than 10% of total dividends paid. For any contra equity item that the Company has recognized on dividends accumulated in the previous year or on dividends incurred but unpaid in the current year due to insufficient after-tax earnings, the Company is required to make provision for special reserves for an amount equal to unappropriated earnings accumulated in the previous year, and deduct this amount before allocating dividends.
2. Implementation status:

3. Dividends proposed for the current annual general meeting: The Company reported cumulative losses in Fiscal Year 2025, and a resolution was passed during the annual general meeting to forego dividend allocation.
4. Explanation of expected material changes in dividend policy: None.

(IV) Impacts of proposed stock dividends on business performance, earnings per share, and return on equity: Not applicable.

(V) Employee/director/supervisor remuneration:

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

   According to the Articles of Incorporation, profits concluded in a given year are subject to employee remuneration of 3% on pre-tax profit and director and supervisor remuneration of no more than 1.5% on pre-tax profit. However, profits must first be taken to offset against cumulative losses if any.
2. The basis for estimating the amount of employee and director remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

   The Company reported cumulative losses in both 2024 and 2025, hence no remuneration was estimated for employees, directors, and supervisors.
3. Remuneration passed by the board of directors: None.
4. Actual payment of employee/director/supervisor remuneration in the previous year, and any differences from the figures previously recognized (explain the amount, the cause, and treatment of such discrepancies): Not applicable.

(VI) Buyback of company shares: None.

II. Status of corporate bonds: None.

III. Preferred shares: None.

IV. Issuance of global depository receipts: None.

V. Issuance of employee stock warrants: None

VI. Issuance of new restricted shares: None.

VII. Acquisition or transfer of shares of other companies and issuance of new shares: None.

VIII. Progress on planned use of capital: None.

Four. Operational Overview

I. Business activities

(I) Business activities

1. Principal business activities:
   (1) Metal Wire Products Manufacturing
   (2) Other Metal Products Manufacturing
   (3) Mechanical Equipment Manufacturing
   (4) Other Machinery Manufacturing
   (5) Manufacture of Power Generation, Transmission and Distribution Machinery
   (6) Electrical Appliances and Audiovisual Electronic Products Manufacturing
   (7) Motor Vehicles and Parts Manufacturing
   (8) Toys Manufacturing
   (9) Hand Tools Manufacturing
   (10) Wholesale of Hardware
   (11) Wholesale of Machinery
   (12) Wholesale of Electrical Appliances
   (13) Wholesale of Other Machinery and Tools
   (14) Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
   (15) Retail Sale of Electrical Appliances
   (16) Retail Sale of Machinery and Tools
   (17) Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
   (18) International Trade
   (19) All business activities that are not prohibited or restricted by law, except those that are subject to special approval
   (20) Office Machinery Manufacturing

2. Current products of the Company and revenue weight

Fiscal Year 2025

Product category	Revenue weight
Power tools	82.64%
Lighting equipment	16.28%
Others	1.08%

3. Current products (services) of the Company:
   (1) Power tools
   (2) Lighting equipment
   (3) Green energy products

4. New product development plans
   (1) Waterwheel Aerators
   (2) Water Pumps

(3) Sludge Pumps
(4) Inverters
(5) Energy Storage Equipment
(6) Photovoltaic Equipment

(II) Industry overview

Impacted by geopolitical risks—such as conflicts in Eastern Europe and the Middle East—as well as global inflation and shifts in monetary policy, the overall machine tool and power tool market demand in 2025 remains wary. The adjustment of end-market inventory has not fully concluded, leading to a milder recovery in the industry climate. However, driven by trends in smart manufacturing, net-zero carbon emissions, and sustainable development, energy-efficient power tools and green energy equipment with integrated technology capabilities continue to demonstrate medium- to long-term growth potential.

In recent years, the Company has continued to focus on the development and mass production of high value-added products, such as brushless motors, to strengthen core competitiveness. Our LED lighting products maintain a stable supply to meet the needs of existing customers. At the same time, in response to the trends in smart agriculture and green energy applications, the Company is actively investing in the development and application of products such as waterwheel aerators, water pumps, sludge pumps, and inverters. We are gradually building a diversified product portfolio and expanding our operational presence.

An overview of the relevant industry landscape and development trends is provided below:

1. Overview of the power tool industry

Characterized by their lightweight structure, ease of operation, and wide range of applications, power tools have evolved from traditional industrial uses to professional repair and home DIY markets. Although the global power tool market demand in 2025 is still impacted by macroeconomic factors, interest rates, and end-market inventory adjustments, resulting in a relatively mild overall recovery pace, brushless motors, lithium electrification, and smart products remain the main growth directions. As consumers increasingly prioritize battery life, efficiency, and operational safety, product development in the industry is trending toward high-power, long-life, and smart designs. Brushless motor products paired with lithium batteries have become the market mainstream, offering advantages such as low maintenance, high efficiency, and energy savings. Product quality and stability have also become key competitive factors for enterprises.

2. Global market and export trends

Power tools benefit from high manufacturing flexibility and broad applicability. With major European and American brands continuing to outsource production, Taiwanese manufacturers still have growth potential—provided they maintain consistent quality and reliable delivery schedules. Although the global market in

2025 continues to develop towards lightweight, smart, and eco-friendly directions, adjustments in international trade policies, geopolitical risks, and uneven recovery in major market demands influence buyers to adopt a cautious procurement attitude, leading to regional differentiation in export momentum. Asia remains the primary production hub, while China's "Red Supply Chain" continues to pose challenges to regional market competition and industry structure.

3. Overview of the hand tool industry in Taiwan

   Taiwan’s hand tools and power tools are primarily export-oriented. In Europe and North America, high labor repair costs mean that the demand for DIY repairs remains an important market support. However, as for the actual market situation in 2025, the overall industry is still in a consolidation and correction phase. International buyers have a conservative procurement attitude, leading to a slower pace of order replenishment and a generally low capacity utilization rate among manufacturers. Exports to the US and Europe in some months also show noticeable fluctuations due to tariffs and weak demand. Overall, although the medium- to long-term demand foundation for DIY and professional tools remains, short-term growth momentum is still affected by changes in external demand and the international trade environment.

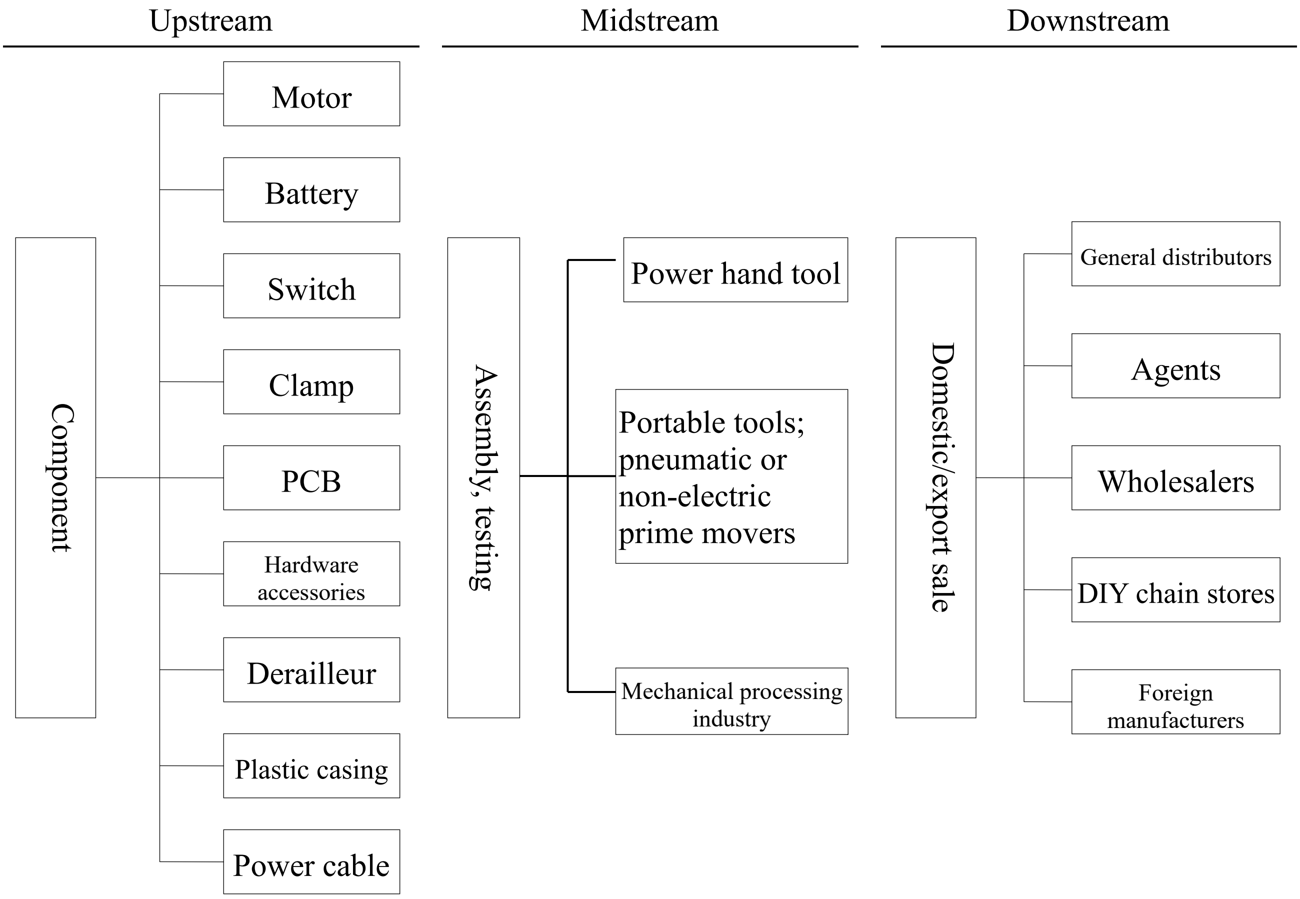
4. Trends in smart applications and green energy industries

   With the rapid advancement of technologies such as AI, 5G, and IoT, smart applications have become a critical path for product and industry upgrades. The integration of remote monitoring, data feedback, and automatic adjustment functions will enhance product value and usage efficiency. In addition, under the global trends of net-zero carbon emissions and energy transition, demand for green energy equipment and smart agriculture applications continues to grow. The related products invested by the Company have gradually been introduced into real-world applications and are expected to expand market opportunities in agriculture, aquaculture, and environmental engineering sectors.

5. Upstream, midstream, and downstream industry linkages

   The Company is primarily focused on the production of power tools and green energy application products. Its key raw materials include motor, battery, switch, bearing, clamp, PCB, chain, chain link, hardware accessory, plastic casing, and derailleur. Mechanical processing is a sophisticated process that involves a wide range of parts and components. It is generally performed by way of OEM arrangement, where the lead manufacturer subcontracts multiple vendors to produce the required parts, and assembles and tests the final product before shipping them to downstream participants such as foreign manufacturers, distributors, wholesalers, agents, and DIY chain stores.

Association between upstream, midstream, and downstream participants is depicted in the figure below:



6. Various development trends and competition of products

(1) Power tools

The Company focuses primarily on the development of rechargeable power tools, as they are cordless and therefore portable compared to hand tools. Brushless motors have advanced in technology alongside increases of electronic function and battery capacity, thereby making products more efficient for their intended purposes. In the future, motors have the potential to reach longer lifespan, offer greater power efficiency, and reduce in size and weight to shorten the charging time. These advantages will ultimately contribute to the increasing market share of rechargeable power tools compared to hand tools and AC power tools.

Trends and competition of power tools:

A. Professional grade rechargeable power tools are evolving to offer more functions and longer battery life in lighter and smaller form factors at increasingly competitive prices. Meanwhile, consumer-grade rechargeable power tools emphasize only on basic functions, packaging, and pricing.

B. The North American power tool market: Car ownership in the United States reached 250 million; services relating to after-sale vehicle maintenance have been a strong driver behind the demand for power tools in the US.

C. AC power tools still have dominant demand in developing nations, and although rechargeable products are making their ways into the market, it still takes time for consumers to accept them as preferred alternatives.

D. Mass retailers are selling products under their proprietary brands alongside those of first-tier brands.

E. E-commerce and online marketing have emerged to rival physical stores.

F. Chinese manufacturers not only produce for major brands, but are also starting to sell products under proprietary brands or the European/American brands acquired.

Power tools have matured to the point that the only ways to compete and differentiate from competitors are to develop features precisely to users' needs within a shorter time, emphasize service quality, and expand usability in other products.

(2) Automotive lighting

A. Increase the quality of self-produced products and improve delivery timing.

B. Design products with optical characteristics and qualities that meet European and American standards.

C. Enhance OEM or ODM services aimed at customers in Europe and USA to strengthen brand presence.

D. Diversify into the development of automobile accessories and bumpers

(3) Smart agriculture and green energy applications

A. In response to the global push for energy conservation, carbon reduction, and net-zero emissions, demand is rising in the agriculture and aquaculture sectors for equipment that is energy-efficient, high-performing, and low-maintenance. This presents a significant transformation opportunity for machinery manufacturers to expand into green energy applications.

B. The Company has already developed and deployed products including waterwheel aerators water pumps, sludge pumps, and inverters, targeting application areas such as solar–aquaculture symbiosis and fishery operations.

C. In the market for smart agriculture and green energy products, key competitive factors include durability, energy efficiency, and adaptability to various environmental conditions. Product design must ensure long-term operational stability and meet outdoor usage requirements such as waterproofing and dust resistance, while also enhancing ease of operation and maintenance to meet practical field needs.

D. With the support of government incentives and ongoing industrial upgrades, market acceptance of smart agricultural equipment and green energy systems is steadily increasing. The Company will continue to monitor policy trends and customer needs, enhancing product versatility and market responsiveness to strengthen overall competitiveness.

(III) Technology and R&D overview

1. R&D expenses in the most recent year

Unit: NTD thousands

Year / Item	2025	2026 up to March 31
Consolidated research and development expenses	6,842	1,587
Consolidated operating revenue	114,826	10,367
R&D expense as a percentage of revenues	6%	15%

2. Technologies or products successfully developed during Fiscal Year 2024 to Fiscal Year 2025

(1) Waterwheel aerators

(2) Water Pumps

(3) Sludge Pumps

(4) Inverters

(5) Household and commercial energy storage equipment

In addition to continuously strengthening existing brushless motor application domains, the aforementioned products are also gradually expanding into the green energy and energy-saving application markets, serving as a critical growth driver for the Company's future operations.

(IV) Long- and short-term business plans

1. Short-term development plan

The Company will continue to proactively address rapid market changes by focusing on product differentiation, technological integration, and robust operational practices. We will also strengthen our collaborative relationships with customers and the supply chain to enhance market agility and supply chain resilience.

(1) Marketing strategy: Our marketing strategy will concentrate on our core brushless motor product line, expanding the promotion of cordless power tools and green energy application equipment. We will emphasize product

performance advantages and customized services to solidify existing customer relationships and penetrate emerging markets, thereby increasing brand recognition and strategic partnership opportunities.

(2) Production policy: We will optimize production cycle management to improve delivery lead times and promote company-wide quality management. Furthermore, we will continuously streamline production processes to enhance production efficiency and ensure product quality, ultimately achieving customer satisfaction and market recognition.

(3) Product development: We will strengthen the integrated development of new products across various market stages. Simultaneously, we will align with market-driven demands to develop products for diverse applications, thereby completing our product portfolio. We will also actively expand into emerging industries such as green energy and energy-saving products (e.g., water pumps, waterwheel aerators, sludge pumps, inverters) to broaden our business scope.

(4) Operational scale: We will progressively increase the revenue contribution of products with high technological content and market potential. In conjunction with organizational dynamism and the implementation of data management, we aim to improve operational efficiency and economies of scale, thereby strengthening our overall operational foundation.

(5) Financial coordination: We will continue to reinforce cash flow and accounts receivable management, flexibly utilizing credit facilities to meet funding requirements for capacity expansion and inventory build-up, while maintaining a stable capital structure to ensure short-term working capital stability.

2. Long-term development plan

In the long term, the Company will continue to operate primarily as a manufacturer, while actively pursuing green energy-related products and application technologies. Concurrently, we will explore partners or invest in the upstream as well as the downstream to form strategic alliances that cover every aspect of the industry, enhancing operational synergy and market competitiveness.

(1) Market expansion: We will strengthen the promotion of our OEM/ODM business, closely monitoring market demand shifts and industry development trends to develop products that meet customer needs. We will also expand our international market channels to increase order intake capacity.

(2) Production expansion: Through the vertical integration of upstream and downstream peripheral industries, we will seek a stable and timely supplier network. We will implement professional specialization and technological collaboration to enhance overall production capacity and efficiency.

(3) Technology expansion: Building upon our existing hardware and software development foundation, we will continuously promote the optimized design

of brushless motors and green energy application products (e.g., inverters, waterwheel aerators, water pumps, and energy storage equipment). We will also address the demands for lightweighting, smart features, and modularization to satisfy the diverse applications of both professional and DIY markets.

(4) Operational scale: Through product diversification, corporate diversification, international marketing, and strategic alliance integration, we will establish a more flexible and efficient operational framework. By combining our core technologies with AI control and sustainability principles, we aim to expand our global market share in both industrial and consumer products.

(5) Financial coordination: We will strategically utilize capital markets to raise funds required for the Company's long-term development, flexibly allocate capital resources to expand our operational scale, strengthen technological research and development, and reward shareholders' long-term investment value.

II. Market, production, and sales overview

(I) Market analysis:

1. Sales regions of the Group's main products

Unit: NTD thousands

Year / Location	2024		Fiscal Year 2025	
	Sales amount	Percentage	Sales amount	Percentage
Germany	48,979	43.46%	57,894	50.42%
Japan	18,968	16.83%	16,502	14.37%
USA	15,371	13.64%	15,888	13.84%
Others	29,366	26.06%	24,542	21.37%
Total	112,684	100.00%	114,826	100%

2. Market share, future supply and demand, and growth

Taiwan’s electric power tool industry is primarily export-oriented, with exports consistently accounting for over 70% of total output. Major export markets include the United States, mainland China, Europe, and various countries across Asia. While the United States remains the largest global market for hand tools, the Company’s main export destinations are Asia and Europe. Our product portfolio spans electric power tools, motor modules, and related application equipment.

Driven by global trends in sustainability, energy transition, and evolving consumer preferences, the electric power tool market is moving toward lighter, decarbonized, and smarter solutions. Cordless electric tools powered by brushless motors, along with energy-efficient equipment, are gradually replacing traditional AC-powered tools. Over the next few years, the global market for electric tools and related application equipment is expected to maintain steady growth.

At the same time, in response to international market trends and customer application needs, the Company has gradually dedicated R&D and production resources to the development of green energy-related equipment products, such as water pumps, waterwheel aerators, sludge pumps, inverters, and energy storage equipment. We actively expand into energy-saving, eco-friendly, and diverse application markets to enhance product differentiation and boost operational growth momentum.

In addition, with the increasing demand for artificial intelligence (AI) computing, high-speed data transmission, and the continuous expansion of data center construction, the optical communication-related industry is experiencing steady growth. In the process of promoting operational transformation and product structure optimization, The Company is also continuously monitoring the trends in the optical communication industry and technological developments. Preliminary understanding and assessment of relevant applications are underway as one of the directions for future product diversification. The related plans are still under evaluation.

3. Competitive niche

(1) Effective technology transfer to create private brands

The Company used to make products as an OEM for foreign reputable power tool brands, and worked with them on several technology collaborations. During each collaboration, the participants would assign technicians to the counterparty to help with product design and training, thereby facilitating technology transfer. Over time, the Company is able to bring product quality and technical know-how to world-class standards, and develop distinctive competitiveness as well as marketing channels for its own brand.

(2) Access to critical components and active development of products with distinctive advantage

With the evolution of the market, consumer demand—particularly in the DIY segment—has become increasingly diverse. Leveraging years of accumulated technical expertise, our R&D team has successfully developed a wide range of electric power tools, including power drills, electric saws, sanders, and polishers. These technologies have also been extended to the green energy equipment sector, including water pumps, waterwheel aerators, sludge pumps, inverters, and energy storage equipment.

At the same time, based on existing core technologies in mechatronics integration, control systems, and precision manufacturing, The Company is also continuously monitoring the development trends of cross-disciplinary applications of relevant technologies. Preliminary understanding and assessment are being conducted in areas such as high-speed transmission and communication applications to explore possibilities for future product diversification.

The company has also obtained various domestic and international patents for new models and designs, and its products have successively passed advanced international standards such as UL and CE. In terms of product development strategy, the Company will continue to focus on niche products tailored to various application environments, thereby enhancing product value and market competitiveness.

(3) Holder of multiple patents

The Company's trademarks and products have been awarded with patents and safety certifications in many countries around the world to provide consumers with the best assurance in terms of quality and safety, particularly at a time when consumer protection awareness is on the rise.

(4) Wide product range and ability to satisfy customers' needs for diversity and one-stop shopping

The Company invests pro-actively into new product development and equipment acquisition each year, and aims to become the manufacturer offering the most complete lineup of power tools in Taiwan.

(5) Comprehensive after-sale service and technical support

The Company organizes regular supportive training on new product technologies and special technologies, and provides customers with technical counseling and product/technology training at appropriate times as part of its service to customers.

4. Favorable and unfavorable factors for development

Favorable factors

(1) Professional R&D team:

The Company prides itself for having a professional, competent, and highly experienced R&D team that is committed to "innovations and changes." Backed by extensive track record in product research, development, design, and manufacturing, the R&D team is able to develop its own "product design" model for any given product feature or diversity goal, and deliver the specifications of different customers at better quality and in shorter turnaround time. The team also pursues technological innovation and excellence persistently, and is constantly looking for new technologies and next-generation products that have the potential to re-shape the market and contribute to the Company's competitiveness.

(2) Good control over the source of raw materials:

The Company purchases all key materials from eligible suppliers that pass evaluation. The Company also has good control of the parts and components supplied by trade partners, and hence considers supply of materials to be stable.

(3) Professional production system with high production efficiency:

The Company adopts a specialization-oriented production model where the master plant is responsible for product development, design, assembly, and marketing while most components are supplied by partnered vendors. Taiwan's mechanical engineering industry has a rather complete diversity of upstream, midstream, and downstream participants that provide services such as component processing and thermal treatment at relatively low cost, which helps support a competitive production system.

(4) Increasing popularity of the DIY spirit:
With the increase in national income and labor cost in various countries, the spirit of DIY has become more and more popular day by day, which in turn has created a huge potential demand for DIY power tools. At present, the scope of DIY products at home and abroad is quite extensive, and the demand for DIY products is growing rapidly.

(5) Possession of many unique and patented products:
The profound effect of intellectual property rights has made them the key to establishing competitive advantage. In response, the Company not only developed unique designs but also obtained patents and certifications for its creations in many countries (Germany, USA, Taiwan, and Mainland China) in order to secure industry leadership.

(6) Rising awareness toward the use of green energy products:
Amid global initiatives led by the United Nations to promote green energy, renewable electricity, and carbon neutrality, demand for rechargeable batteries, energy-saving motors, and smart energy-efficient equipment is on the rise. The Company has already expanded into the green energy application sector, developing products with strong environmental durability and energy-saving characteristics—including water pumps, waterwheel aerators, sludge pumps, inverters, and energy storage equipment. We will continue to enhance the application scope and design of these products to meet the growing global demand for green transformation and to expand our market presence.

<u>Unfavorable factors and countermeasures</u>

(1) The vast supply and relatively low-cost labor in Mainland China and Southeast Asian countries has appealed to Taiwanese and Japanese investors in recent years, and enticed foreign businesses to set up local factories or introduce OEM models and related technologies. As a result, these countries are able to develop their own hand tool industries to the point that rivals that of Taiwan. Today, Taiwan is losing its ability to compete in the lower price tier.
Countermeasures:
A. Take advantage of the gradually expanding China - USA trade barriers by increasing the intensity of R&D efforts; aim to bring sophistication and added value to products and distinguish from the rest of the market with specialization and consistent quality.
B. Enrich the green energy product line and satisfy the market's diverse needs with a comprehensive lineup.
C. By leveraging our core expertise in brushless motors and energy-saving

control systems, the Company continues to invest in the development of green energy application products, including water pumps, waterwheel aerators, sludge pumps, inverters, and energy storage equipment, to enhance product performance and strengthen our differentiated market competitiveness.

(2) The Company began active promotion of its proprietary brand since 1997, therefore the majority of sales is still attributed to OEM service, indicating high level of dependency.

Countermeasures:

For the continuity of future businesses, it is essential to develop a certain degree of independence in the market. That is why the Company has made persistent efforts to grow its proprietary brand and diversify the use of parts and components, thereby lowering dependency on any single market.

(3) After-sale service and maintenance are two main considerations for power tool users, and they negatively affect the Company's entry into European and American markets.

Countermeasures:

In addition to exploring product agents or distributors in various countries, the Company also requires them to develop robust after-sale services and offers appropriate technical guidance on product servicing over the course of development.

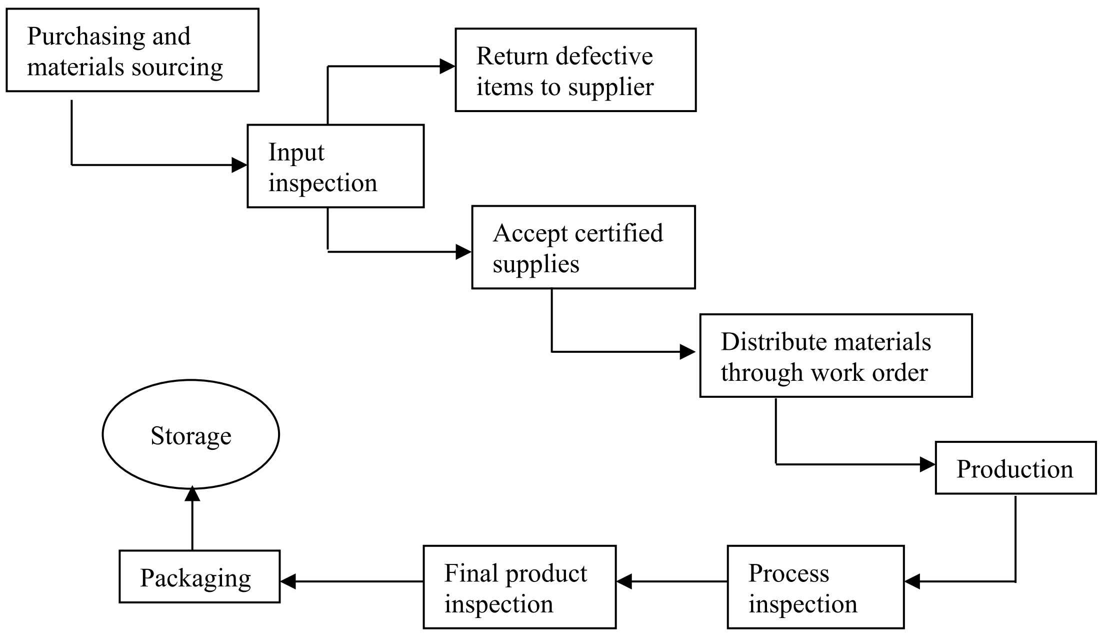
(II) Usage and manufacturing processes for the Company's main products

1. Usage for the main products

Product category	Main purpose or function
Power drill	Used for drilling holes, making perforations, or driving screws into wood, metal, or concrete walls.
Polisher	Used for sanding and polishing wood and metal surfaces to achieve a smooth finish or for surface preparation before further coating.
Automotive lighting	Includes reading lights, fog lights, brake lights, etc., providing interior illumination or enhancing visibility and safety during nighttime driving and adverse weather conditions.
Water Pumps	Applied in agriculture, aquaculture, water transfer, and other fields for drawing and conveying clean water or wastewater.
Waterwheel Aerators	Used in aquaculture ponds to increase dissolved oxygen levels in the water, maintaining water quality and the health of aquatic organisms.
Sludge Pumps	A pump device used to transport fluids containing a high concentration of solid matter (such as mud, sludge, and sediment from wastewater), applicable for treating organic wastewater from aquaculture and animal husbandry.
Inverters	Converts direct current (DC) to alternating current (AC),

	used in solar power, energy storage, and other green energy systems to provide a stable power source.
Energy Storage Equipment	Used for storing electricity and managing power dispatch, it can be applied in household and commercial power fields, enhancing energy utilization efficiency and supporting the integration and application of renewable energy.
Other components	Replacement and maintenance parts for power tools and green energy application products (such as water pumps, sludge pumps, aerators, etc.), including motors, switches, gearboxes, control modules, impellers, water wheels, power boards, etc., helping to extend product lifespan, reduce maintenance costs, and strengthen the overall after-sales service system.

Manufacturing process



(III) Supply of key materials

Raw material	Supplier	State of supply
Mounting Bracket	Vendor A	Good
Charger	Vendor B	Good
Battery Case	Vendor C	Good
Reflector, Rear Cover, Top Ring	Vendor D	Good
Battery cell	Vendor E	Good

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

Information on major suppliers in the past two years:

Unit: NTD thousands; %

	2024				2025				2026 up to the previous quarter			
Item	Name	Amount	As a percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	As a percentage of annual net purchases (%)	with the issuer Pedestrian Relationship	Name	Amount	Percentage to net purchases of the current year up to the previous quarter [%]	Relationship with the issuer
1	Others (Note)	Others (Note)	77,905	100.00	Others (Note)	72,086	100.00	—	Others	8,181	100.00	None
2	—	—	—	—	—	—	—	—	—	—	—	—
	Net purchase	Net purchase	77,905	100.00	Net purchase	72,086	100.00		Net purchase	8,181	100.00	

Note:There was no supplier accounting for more than 10% of the net purchase in 2024, 2025, and Q1 2026.

Main customers in the last two years

Unit: NTD thousands; %

	2024				2025				2026 up to the previous quarter			
Item	Name	Amount	As a percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	As a percentage of annual net sales (%)	with the issuer Pedestrian Relationship	Name	Amount	Percentage to net sales of the current year up to the previous quarter [%]	Relationship with the issuer
1	Customer H	30,629	27.18	None	Customer H	46,678	27.18	None	Customer M	2,398	22.29	None
2	Customer M	13,693	12.15	related party	Customer M	10,681	12.15	None	Customer U	1,652	15.35	None
3	Customer S	9,972	8.85	None	Customer MER	9,471	8.85	None	Others	6,710	62.36	None
4	Others	58,390	51.82	—	Others	47,996	51.82	—	-	-	-	—
	Net sales	112,684	100.00		Net sales	114,826	100.00		Net sales	10,760	100.00	

The reason for the change in sales: In line with customer demand.

III. Group employee information in the last two years up until the publication date of the annual report

Year		2024	2025	Current year up to March 31, 2026
Employee count	Indirect employees	55	57	56
	Direct employees	14	14	14
	Total	69	71	70
Average age		47.83	45.87	48.51
Average years of service		12.04	8.69	10.33
Academic background	Doctoral Degree	0%	0%	0%
	Master's Degree	4.35%	4.23%	5.71%
	Bachelor's Degree	39.13%	52.11%	48.57%
	Senior high school	37.68%	29.58%	31.43%
	Below senior high school	18.84%	14.08%	14.29%

IV. Information on environmental protection expenditure

Losses (including damage compensations) and fines incurred due to environmental pollution in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

1. Losses and penalties due to environmental pollution: None.
2. Future countermeasures and expected major environmental protection expenditure: None.

V. Labor - management relations:

(I) The Company values human resource development and employee rights, continually enhancing personnel systems and welfare measures, and is committed to maintaining a safe, healthy, and friendly work environment to foster a cohesive and development-oriented workplace culture.

1. In compliance with legal requirements, the Company provides a comprehensive range of statutory labor benefits and supplements these with several measures that exceed regulatory standards to safeguard employee rights and improve quality of life:
    - Statutory benefits include: Two-day weekends, family care leave, labor insurance, national health insurance, maternity leave, annual leave, parental leave, menstrual leave, prenatal leave, prenatal check-up leave, labor pension contributions, employment insurance, pandemic-related care leave, occupational accident insurance, and employee health checkups, ensuring employees' basic rights.
    - Welfare systems and subsidy measures: Coordinating employee welfare matters, including assistance for urgent needs, subsidies for weddings and funerals, and various care initiatives.
    - Work Environment and Health Promotion: Continuously improve plant and

office environments to maintain clean, safe, and comfortable working conditions. Additionally, provide employee health checkups and workplace safety management measures to promote physical and mental health.

- Employee care and motivational measures: Providing year-end bonuses, holiday bonuses or gifts (e.g., for the three major festivals), wedding cash gifts, departmental gatherings, club activities, and group insurance coverage for employees. Additionally, diverse activities are organized to enhance employee cohesion and sense of belonging.
- Other benefits: Provided meal subsidies (such as the group lunch purchase subsidy for the Taoyuan headquarters) to enhance employee convenience and satisfaction in daily work.

2. Continuing education system and implementation:
Employees undergo professional training from time to time; they are able to receive new information relating to professional skills and given ample opportunities to improve production and R&D know-how. Furthermore, each department may arrange internal training courses as deemed necessary and appropriate to raise employees' professional capacity.
3. Retirement system and implementation:
The Company has established its own Worker Retirement Policy in accordance with the Labor Standards Act and labor regulations, and makes regular contributions as required by laws into the dedicated labor pension fund account held with the Trust Department of Bank of Taiwan. For employees who opted for the new pension scheme introduced under the "Labor Pension Act," the Company makes contributions equal to 6% of their gross salary into their individual accounts held with Bureau of Labor Insurance starting from July 1, 2005.
4. Enforcement of labor agreements and employee rights:
   - The Company observes the Labor Standards Act and related regulations, and takes the initiative to maintain harmonic employment relations and to protect employees' rights.
   - Intensive training is being arranged to maximize employees' potentials.
   - Significant efforts are being directed to shaping strong values and corporate culture.

(II) Losses as a result of employment dispute in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

The Company did not suffer any loss due to employment dispute.

VI. Cybersecurity management

(I) Cybersecurity risk management framework, cybersecurity policies, specific management plans, and resources invested in cybersecurity management: Cybersecurity management is under the responsibility of the IT department that oversees the operation of internal information systems throughout the Group. Additionally, firewalls have been implemented to detect viruses and protect the intranet against malicious attacks and viruses, thereby reducing cybersecurity risks.

(II) List any losses suffered by the company in 2025 and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom: None.

VII. Important contracts: None

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

I. Financial position

Unit: NTD thousands

Item \ Year	December 31, 2024	December 31, 2025	Changes		Description
			Amount	Percentage	
Current assets	191,447	115,223	(76,224)	(39.81%)	Note 1
Property, plant and equipment	55,965	79,858	23,893	42.69%	Note 2
Other assets	24,492	61,602	37,110	151.52%	Note 3
Total assets	271,904	256,683	(15,221)	(5.59%)	-
Current liabilities	71,074	92,984	21,910	30.83%	Note 4
Non-current liabilities	12,443	24,765	12,322	99.03%	Note 5
Total liabilities	83,517	117,749	34,232	40.99%	-
Share capital	323,000	323,000	0	0%-	-
Additional paid-in capital	66	66	0	0.00%	-
Losses pending reimbursement	(88,779)	(138,784)	(50,005)	(56.33%)	Note 6
Other equity items	(45,900)	(46,060)	(160)	(0.35%)	-
Non-controlling interests	-	712	712-	100%-	Note 7
Total equity	188,387	138,934	(49,453)	(26.25%)	Note 8

Variation of more than 20% and differences of NTD 10 million are explained as follows:

Note 1: The primary reasons for the increase in cash outflow are the acquisition of equity in a reinvested subsidiary and the purchase of a solar power plant.

Note 2: Primarily due to the purchase of a solar power plant.

Note 3: The primary reason is the incorporation of prepayments for reinvested subsidiaries.

Note 4: Primarily due to securing bank loans with assets in Fiscal Year 2025.

Note 5: Primarily due to an increase in lease liabilities of right-of-use assets.

Note 6: Due to the loss from investment projects and exchange differences on translation of financial statements of foreign operations.

Note 7: It is for business investments with a 96.3% equity stake.

Note 8: Primarily due to decrease of exchange differences on translation of financial statements of foreign operations.

II. Financial performance

(I) Comparative analysis of financial performance in the last two years

Unit: NTD thousands

Item \ Year	2024	2025	Changes		Description
			Amount	%	
Operating revenues	112,684	114,826	2,142	1.90%	-
Operating costs	(103,383)	(88,348)	15,035	14.54%	-
Gross profit	9,301	26,478	17,177	184.67%	Note 1
Operating expenses	(64,266)	(77,585)	(13,319)	(20.72%)	Note 2
Net operating profit (loss)	(54,965)	(51,107)	3,858	7.02%	-
Non-operating income and expenses	1,550	(9)	(1,559)	(100.58%)	-
Net profit (loss) before tax	(53,415)	(51,116)	2,299	4.30%	-
Income tax expense	(1,453)	(278)	1,175	80.86%	-
Current net income (loss)	(54.868)	(51,394)	3,474	6.33%	-
Net Profit (Loss) for the Period Attributable to Owners of the Parent	(54,868)	(51,393)	3,475	6.33%	
Net Profit (Loss) for the Period Non-controlling interests	0	(1)	(1)	(100%)	Note 3
Other comprehensive income for the current year	25,617	1,228	24,389	95.20%	Note 4
Total comprehensive income for the current period	(29,251)	(50,166)	(20,915)	(71.50%)	Note 3
Total Comprehensive Income - The Company	(29,251)	(50,165)	(20,914)	(71.50%)	Note 3
Total Comprehensive Income - Non-controlling	0	(1)	(1)	(100%)	

Variation of more than 20% and differences of NTD 10 million are explained as follows:

Note 1: The primary reason is the scrapping of materials and the reversal of provisions for obsolete costs, which led to a reduction in operating costs.

Note 2: Primarily due to the investment in the solar business, resulting in an increase in administrative and research expenses.

Note 3: It is for business investments with an equity stake.

Note 4: Primarily due to decrease of exchange differences on translation of financial statements of foreign operations.

(II) Expected sales volume and basis of estimate: Not applicable (the Company did not produce financial forecasts in 2025)

III. Cash flow

(I) Liquidity analysis for the last 2 years

Year / Item	2024	2025	Percentage increase (decrease)
Cash flow ratio	(54.33)	(69.27)	(14.94)
Cash flow adequacy ratio	(150.02)	(113.57)	36.45
Cash reinvestment ratio	(15.68)	(36.73)	(21.05)
Explanation of percentage increase and decrease: The primary reasons for the increase in cash outflow are the acquisition of equity in a reinvested subsidiary and the purchase of a solar power plant.			

(II) Liquidity analysis for the next year

Unit: NTD thousands

Opening cash balance (A)	Net cash flow from operating activities for the year (B)	Net cash flow from investing and financing activities for the year (C)	Projected cash surplus (deficit) (A)+(B)(C)	Financing of expected cash deficits	
				Investment plans	Financing plans
$20,339	$11,382	$25,162	$56,883	—	—
1. Analysis of cash flow changes in the coming year: The primary factors expected to impact cash flow changes include cash generated by operating activities, the sale of equity, and the recovery of prepaid equipment payments. 2. Financing of expected cash deficits: None.					

IV. Material capital expenditures in the last year and impact on business performance: None.

V. Investment policy in the most recent year, causes of profit or loss incurred, and any improvements or investments planned for the next year:

The Company invests actively to take advantage of the growing domestic demands in Southeast Asia and China. The focus of current investment plans is to enhance the stability of production capacity of the subsidiary located in Kunshan, China.

VI. Analysis of risk issues

(I) Impact of interest rate, exchange rate, and inflation on the Company's earnings, and response measures:

Interest rate fluctuations: As global interest rate policies remain in a state of adjustment, they have a certain impact on the Company's funding costs and financial expenses. The Company will continue to monitor the trends of international financial market interest rates, promptly adjust its fund utilization strategies, and leverage its good cooperative relationships with financial institutions to secure favorable financing terms, aiming to reduce overall funding costs and manage interest rate risks.

Changes in foreign exchange rates: The Company mainly denominates in USD and

CNY, which produces a natural hedging effect, and adjusts foreign currency assets or liabilities in response when appropriate.

Inflation: No significant impact due to inflation.

(II) Policies on high-risk and highly leveraged investments, loans to external parties, endorsements/guarantees, and trading of derivatives; describe the main causes of any profits or losses incurred and future responsive measures:

Engagement in high-risk and highly leveraged investment: None.

Loaning of funds to others: The Company's "External Party Lending, Endorsement and Guarantee Procedures" shall be followed, and no limit shall be exceeded.

Endorsements and guarantees: The Company's "External Party Lending, Endorsement and Guarantee Procedures" shall be followed, and these have not been provided.

Derivatives: The Company's "Asset Acquisition and Disposal Procedures" shall be followed, and these have not been provided.

(III) Future research and development plans and projected expenses:

The Company will continue to promote product differentiation and technological upgrades, focusing on the application development of power tools, lighting products, and brushless motors and controllers. We will also actively expand into emerging fields such as green energy equipment, to enhance product value and international market competitiveness. In terms of R&D strategy, in addition to deepening existing core technologies, the Company will continue to monitor cross-disciplinary technology development trends, strengthen the integration capabilities of key components and systems, and promote product innovation and application upgrades through technical exchanges and collaboration with strategic partners, serving as a vital driver for operational transformation and long-term growth.

Estimated cost of research and development: About 6% of annual revenues, with adjustments to R&D resource allocation based on market development and technological layout needs.

(IV) Financial impacts and response measures in the event of changes in local and foreign regulations:

The Company continues to monitor the development trends of domestic and international policies, laws, and tariff systems, and assesses their potential impact on its operating model, supply chain configuration, and cost structure. After evaluation, there have been no significant impacts on the Company's financial and business operations due to the relevant policy and legal changes in the last year. In the future, the Company will continue to strengthen its compliance with laws and enhance its risk management mechanisms. It will adjust its procurement strategies, optimize its supply chain layout, and flexibly utilize various resources to mitigate the impact of policy changes on its operations.

(V) Financial impacts and response measures in the event of technological (including cybersecurity management) or industrial changes: None.

(VI) Crisis management, impacts, and response measures in the event of a change in corporate image:

The Company upholds business integrity as the ultimate principle, and has not encountered any occurrence that compromised corporate image.

(VII) Expected benefits and risks in relation to mergers and acquisitions: None.

(VIII) Expected benefits and risks associated with plant expansions: None.

(IX) Risks associated with concentrated sales or purchases:

In addition to the fact that the Company's purchase is concentrated in the invested subsidiaries due to the consideration of triangular trade, the amount of purchases of the rest of the companies is relatively dispersed, and no major risk is expected. In terms of sales, the Company maintains long-lasting and stable relationship with power tool buyers, and will continue exploring new customers to mitigate the risks associated with over-concentration of sales.

(X) Impacts and risks following a major transfer of shareholding by directors, supervisors, or shareholders with more than 10% ownership interest: None.

(XI) Impacts and risks associated with a change of management: None.

(XII) Major litigations, non-contentious cases, or administrative litigations involving the Company or any director, supervisor, President, person-in-charge, major shareholder with more than 10% ownership interest or subsidiary, whether concluded or pending judgment, that are likely to pose significant impact to shareholders or security prices of the Company. Disclose the nature of dispute, the amount involved, the date the litigation first started, the key parties involved, and progress as of the publication date of this annual report: None.

(XIII) Other significant risks and response measures: None.

VII. Other material issues: None.

Six. Special Disclosures

I. Information on affiliates:
https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Private placement of securities in the last year up until the publication date of the annual report: None.

III. Other supplementary information: None.

IV. Occurrences significant to shareholders' interests or securities price, as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, in the last year up until the publication date of the annual report: None.

Jenn Feng Industrial Tools Co., Ltd.

Chairman: Yung-Lun Chen